The NATIONAL UNDERWRITER Life Insurance Edition



A current John Hancock advertisement which indicates how the spirit of American Independence is fostered and strengthened by Life Insurance. So that these benefits may be shared by all, the John Hancock offers life insurance in all its forms: life, endowment and term policies, juvenile insurance, retirement income policies, annuity contracts, and all plans of group coverage.



He larned the sea to sing Yankee Doodle

YOU DON'T HEAR much about Old Stormalong nowadays, and that's a pity. Time was, any proper-edycated seafaring man east o' Cuttyhunk could tell you all about him.

This here Stormalong, he was a monstrous able deep-water man. What floated, he could sail. What swum, he could catch. What thundered and blowed, he could out-thunder and out-blow. Nothing of much account ever got done at sea without Stormie had his big hand in it.

You heered about Columbus? Stormie was his navigator. Heered about the Mayflower? Stormie rowed it acrost. Heered about John Paul Jones? 'Twas Stormie helped him start the U.S. Navy.

Heered about sparm whales? Most as was caught, Stormie caught, and bare hands at that. Sea sarpints? Stormie scared 'em all so bad they ain't showed their faces since.

You heered about clipper ships? Stormie's was so big, it was Wednesday in the fo'c's'l when it was still Monday aft.

One time he bumped into Central America in a fog and knocked a mite o' land loose. That's the Panama Canal, mate. Another time he grazed the coast of England and rubbed off a bit of his topside paint. Them's the white cliffs o' Dover, mate.

Stormie's still sailing, and always will. Wherever you find Americans doing a job on land or sea, Stormie's there, working his good-natured miracles. For under the oilskins and the seaboots, he's the old, familiar spirit of American self-reliance—the spirit of every man who steers a straight course in life, skipper of his fate, ready for any weather that may come.

John Hancock

MUTUAL LIFE INSURANCE COMPANY BOSTON, MASSACHUSETTS

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Private Pensions Seen as Answer To Welfare State

Employers Taking Offensive to Win **Employe Loyalty**

Developments in the pension field have been so rapid and bewildering in the year since pensions were declared negotiable in collective bargaining that it is easy to overlook an important change in the attitude of certain employers toward pensions. Enough pension specialists are optimists to the degree that they do not ascribe the elevation of pensions to a leading role in the economy to the interest of labor unions alone. The realization is dawning on management that through private pensions U. S. industry is provided its best and perhaps its sole op-

vided its best and perhaps its sole op-portunity to work out an alternative to the socialist or welfare state. Pension specialists, swamped with preliminary stage work on hundreds of cases since the steel industry settle-ments, report an awareness on the part of many employers that if they can devise adequate pension agreements for their employes, they can go a long way toward rewinning the sense of partner-ship with employes which has been lost in many instances where loyalty has been transferred to labor unions. Many of these employers are interested, at least eventually, in tying pensions in with profit-sharing plans to give employes a further sense of partner-

Most Employes Not Socialists

Pension people feel that most employes have no wish to steer the country into socialism. If it can be impressed upon these employes that they are actual partners in the enterprise by providing for them adequately through insurance and pensions, they will be actuary for the company and on-

by providing for them adequately through insurance and pensions, they will be strong for the company and opposed to any encroachment upon the economic system which has brought them their security. If they are not provided with the necessary security, they may turn further to the state.

Employes are not the only people who are unwittingly pushing the country toward a welfare state. A number of employers currently demonstrating a short-sighted attitude. When social security was installed in 1935, they opposed it and fought increased benefits until they were threatened with pension demands. Now they are saying that the government ought to pay for all pensions. The practice in the Ford and Bethlehem cases of tying pensions inversely to social security tends to emphasize a shift in responsibility to the federal government.

The short-sighted employer believes the ideas and contact and

to the federal government.

The short-sighted employer believes that if he can get social security increased, his contribution to make up the remainder of a flat scale pensions will be lessened. He does not reckon that his tax burden and the tax burden of the country will be increased measurably by extensive increases in social security. He fails to see that such a shift in responsibility for the economic welfare of his workers from his and their shoulders to Washington is socialism. His workers are no longer his partners, they are partners of the his partners, they are partners of the
(CONTINUED ON PAGE 11)

Travelers Health Case May Affect Regulation

Students of insurance regulation are now awaiting the decision of the U. S. Supreme Court in the case of Travelers Health Assn. and R. E. Pratt, as treasurer thereof, vs. Commonwealth of Virginia, with the utmost interest and con-

The decision could have far reaching effects on the future of regulation of insurance. If the Virginia statute and insurance. If the Virginia statute and the order that was is sued under it against Travelers Health of Omaha were upheld, it might very well give all the states an opportunity to enact similar legislation and issue orders that would effectively put the kibosh on unlicensed mail order insurance operations.
On the other hand, if the decision is adverse to Virginia, the effect might be greater than merely to invalidate the Virginia type of statute as the decision might contain dicta that would cast a shadow on the uniform unauthorized insurers service of process act that was agreed to by the all-industry committee and the commissioners, and that has already been passed in a number of states. If so, that could mean that the states would be almost entirely without power to deal with unlicensed insurers. Accordingly, there would be little, if any, argument left with which to chal-lenge the jurisdiction of federal trade commission to regulate mail order insur-ance activities. It would leave a very well defined area of insurance opera-tions in which the states could not assume jurisdiction and this could very well be seized upon by advocates federal regulation as a ground for federal legislation in this sphere and indeed the logic of the situation might be such that the need for such legislation would be self-evident. Then the fat would be

Goes Farther Than Other States

The Virginia law and the order in the Travelers Health case that was is-sued under it probably go farther than the statute of any other state. It consists of a 1942 amendment of the blue sky securities law in which insurance

contracts are defined as securities.

On Jan. 5, 1948, the Virginia state corporation commission entered a permanent injunction enjoining and restraining Travelers Health from offering advertising promoting or selling. ing, advertising, promoting or selling insurance in Virginia until a permit or authorization so to do had been secured from the commission as required by the securities law.

This is far different, of course, from the substituted service of process measure that is advocated by the all-industry committee and the commissioners. The latter simply undertakes to give a claimant access, in the courts of his own state, to an insurer that is not licensed therein. But the two approaches have a common denominator in that they assert jurisdiction over unlicensed companies by declaring that the pro-cedures followed by mail order insurers constitute doing business within the legitimate local concern of the state so as to bring the contracting party under the jurisdiction of the state courts and, in general, any act of an unlicensed insurer, effected by mail or otherwise, consisting of the issuance or delivery of insurance contract to residents in the unlicensed state, solicitation of such contract, collection of the consideration therefor, or "any other transaction of business," is declared to constitute doing business within the unlicensed state.

Attorney General Goldstein of New

York in a petition to file a brief as amicus curiae in this case, with the New Hampshire and Maryland attorneys general joining in the brief, stated that the inspiration for the New York statute, which is the model measure, is the same as that which prompted Vir-ginia, under her securities law, to assert jurisdiction to restrain transactions of unauthorized foreign insurers, lookof unauthorized foreign insurers, looking to insurance obligations by and to her citizens and effective within her borders. The validity of the New York law is similarly affected by consideration of whether the state has taken hold of a subject in sufficiently direct contact with is proper local concerns within its

Physical Presence Argument

The Goldstein brief refers to the argument of Travelers Health that as an absolute requisite there must have been conduct of Travelers Health affairs within Virginia by Travelers Health or

its agent physically present.

The Goldstein brief states that this argument puts a premium upon artful avoidance of Virginia's power asserted on behalf of those of its citizens with whom business is done. Care to remain physically within distant boundaries no more confines business activities therein than does the fact that the insured never leaves his home state prevent the making of the contract. Where by the use of instrumentality such as the mails, an insurer is enabled to project the contracts which constitute the means of doing its business into other states, a fair appraisal of the facts compels the conclusion that it has transacted business therein. The fact that effective and binding contracts come into existence by this means, even though the insured never physically leaves the state of his residence, is ample evidence of real and substantial contact between insured and insurer therein. The independent agency of the post office, as effectively accom-plishes the out-of-state insurer's contact as does the retained agent who carries the solicitation or the policy to the insured. Indeed, it is the state of the insured's residence which has the most direct interest in the faithful perform-ance of the contract and is most seriously affected by the contract thus ef-

Removing Obstacles

State statutes, the brief went on, per mitting process to run to unauthorized foreign insurers with respect to matters arising out of activities coming into substantial contact with the interests of he state and of its citizens within its borders are designed to remove obstacles otherwise preventing any practical method of enforcing local obligations. The continuing nature of the obligations sought to be assumed by such insurers, the paramount interest of the state of the insured's residence in their faithful performance, the reality of the contact which is effected locally in the course of the business transactions involved furnish a just and reasonable basis for making a foreign insurer amenable to

Intaking a foreign insurer amenable to local jurisdiction.

The brief of Travelers Health is a potent argument. Moses G. Hubbard, general counsel of Commercial Travelers of Utica and general counsel of International Assn. of Commercial Travelers. elers Insurance Organizations, undoubt-edly had a big hand in preparing it. He has been a hefty foe of legislation any-

(CONTINUED ON PAGE 17)

Agency Management Problems Discussed at Actuaries' Meet

Numerous Other Topics Are Covered at Three-Day Convention

The paper presented by C. F. B. Richardson of Mutual Life on agency management problems elicited much discussion at the annual meeting of the Society of Actuaries at White Sulphur Springs.

Other subjects considered, either during discussions of prepared papers or in the informal discussion, included separate accounts for various lines of business; longevity among annuitants; ex-perience under income disability and waiver only; mortality under term conversions; pensions for retired workers; pending social security changes; compulsory health insurance programs;

and budgetary control of expenses.

There was an unusually full discusto the plan of having papers discussed immediately after being presented rather than at the next meeting. Nevertheless, President E. M. McConney, who is president of Bankers Life of Iowa, kept things moving along at a good clip.

Warns Against Oversimplification

Discussing Mr. Richardson's paper, Richard C. Guest, vice-president and actuary of State Mutual Life, advised against over-simplification of techniques the approach to a problem which involves a highly personal element to a considerable extent. Aptitude tests, etc., are all very well but they do not afford measure of the willingness of the dividual to do the necessary work. Selec-tion and training of agents are neces-sary to reduce the turn over which has sary to reduce the turn over which has existed in the past, but they will not suffice if the compensation plan is not in sympathy therewith.

With regard to increasing the average size of policies we must be careful that

our efforts do not lead us into doing an anti-social job by ignoring the defi-nite market for smaller sized policies, he said. In the field of cost analysis he said. In the nead of the Mr. Guest felt that the author may have over-simplified the situation by relating costs too much to policies. The cost costs too much to policies. The cost of handling and administering settlement options is considerable, and since these occur for the most part on policies for larger amounts, it would appear that costs of these and similar services are related more to amounts of insurance than to policy units. Mr. Guest concluded with a plea for closer contact between the agency executive and the actuary in striving for a solution to the many problems facing the life company this most important phase of business.

Turnover High But Survivors Good

Robert E. Shalen, Prudential, reporting on his company's training program and incentive salary plan, explained that turnover of agents under the incentive plan has been somewhat high but the survivors constitute a good group. The Pru-dential recorded no falling off in produc-tion among surviving agents. First year

(CONTINUED ON PAGE 19)

Hancock Boosts Dividends 14%

John Hancock will set aside for dividends \$4,800,000 more in 1950 than in 1949, an increase of 14%. Total amount to be set aside will be approximately \$39 million.

With few exceptions these increases With few exceptions these increases will apply in varying amounts to practically all ordinary policies issued subsequent to April 1, 1935. Under ordinary policies issued upon the 3½% reserve basis prior to April 1, 1935, the dividend scale now in effect will be continued in 1950.

Dividend increases on weekly premium industrial policies will generally affect policies issued subsequent to Jan. 1, 1937. The new schedule inaugurates the practice of paying a dividend one year earlier than on policies issued prior to September, 1947. Monthly premium industrial policies will also receive a dividend at the end of three years.

The present general formula for dividends on group life and group A. & H. policies, revised and announced in 1949, will be used for 1950 with adjustments

resulting from experience shown. The rate of interest payable during 1950 on funds held on deposit will continue to be 3% unless a higher rate is guaranteed.

Phoenix Mutual Names Four as Supervisors

HARTFORD - H. Bennett Webber has been promoted to field supervisor of Phoenix Mutual. For two years he has been an agent in the home office agency. His first supervisory assign-ment will be with the Buffalo agency.

Three other agents have been advanced to supervisors: Harry C. Todd of St. Louis, Norman C. Lyman of of St. Louis, Norman C. Lyman of Portland, Ore., and Howard E. Taylor of Seattle. Mr. Todd's first assignment will be with the home office agency; Mr. Lyman's at Seattle, and Mr. Taylor's at Portland.

Grimm Wins Unit Contest

A six-week contest in number of written applications per member was conducted by the Chicago unit managers' association of Equitable Society. It resulted in 1,224 written applications from agents assigned to units. The Grimm unit of the Reno agency won, with 10.55 applications per agent. Next with 10.55 applications per agent. Next were the Smith, Lewis, and Wentscher units, all of the Woody agency, with 9.318, 9.143, and 8.708, respectively. Each unit received a miniature gold football as a permanent trophy and the winning unit has possession of a large football trophy for the coming year. Ordinary only was counted and volume was not taken into account.

Life Counsel Correction

The second day's program of the Assn. of Life Counsel Dec. 14 will include a talk on direct placements by Haughton Bell, Mutual Life. The meeting will conclude with five-minute talks various subjects under the heading o You Know About This?" by "Do You Know About This?" by Dwight Brooke, Bankers Life of Iowa, Alexander Query, Prudential, D. J. Reiry, Guardian Life, G. M. Swanstrom, Northwestern Mutual Life, and Robert D. Taylor, Sun Life of Canada. Last week's issue erroneously indicated that all speakers would discuss direct place-

Nedom Salinas G. A.

Carl R. Nedom has been appointed a general agent at Salinas, Cal., for Western Life of Montana. He has been Western Life of Montana. He has been the leading producer of the company's De Arman agency at San Jose which was discontinued following E. L. De Arman's recent death. He had been Arman's recent death. He with the agency for 12 years.

Notables at Society of Actuaries Meeting

Heads of the Brit-ish and American actuarial organizaish and American actuarial organizations, with their wives, at the meeting of the Society of Actuaries at White Sulphur Springs, W. Va.: Sir George Maddex, government actuary of Great Britain, Lady Maddex, Mrs. of Great Britain, Lady Maddex, Mrs. E. M. McConney, and E. M. McCon-ney, president Bank-ers Life of Iowa and of the Society of



Actuaries. Sir George was the banquet speaker.

Arcadia Nat'l Mail Fraud Trial Set for Ian. 16

Refusing to throw out an indictment against Arcadia National Ins. Co. of Chicago and two individuals, Federal Judge Barnes at Chicago has ruled that they must go on trial for mail fraud Jan.

The indictment charges that the company advertised broad coverage but de-livered policies with highly restricted coverage

Besides the company the defendants are Alfred Sylvanus, 54, of LaGrange, Ill., Arcadia National's president, and V. C. Johnson, 56, former assistant state's attorney, who headed an agency that sold Arcadia policies in Chicago.

Hugh Bell S. F. Speaker

Hugh S. Bell, Seattle general agent of Equitable Life of Iowa, addressed San Francisco General Agents & Managers Assn. on "How to Help Men Build Prestige."

Phila. CLU Hears Financial Expert

J. A. Livingston, economist and financial editor of the Philadelphia "Evening Bulletin," addressing the Philadelphia C.L.U., while praising America's productive ingenuity, said that "we must get away from the idea of judging other countries on American standards," parcountries on American standards," par-ticularly where the philosophy and ob-jectives are less materialistic than they are here.

Meat Industry Pattern

WASHINGTON - Briggs & Co., meat packers, has arranged with Continental Assurance for non-contributory group insurance including life, ADB, weekly indemnity for 13 weeks, hospital, medical and surgical benefits. Briggs pays premiums under an arrangements with Al Gray, business agent of Meat Cutters Union. Thomas E. Boyle, who represented the company, said this pat-tern is likely to be adopted widely in the neat industry.

Leggett Named as Mo. Superintendent

JEFFERSON CITY, MO.—Lawr-ence Leggett of Bowling Green, 54, who has been an examiner in the Missouri has been an examiner in the Missouri department for about 10 years, has been named superintendent of insurance to succeed Owen G. Jackson, whose four-year term had expired. The appointment is subject to confirmation by the Missouri senate.

Under a new law the term of the superintendent is changed so as to conform with that of the governor and the salary increased from \$6,000 to \$7,000. Thus Superintendent Leggett's term of office under this appointment will expire in January, 1953.
Mr. Leggett worked under Governor

Smith in the state auditor's office 1933-1937, when the present governor was state auditor. He then joined the insurance department as an examiner and continued in that capacity until 1944 when he resigned to become auditor for a Kansas City insurer. A year or so later he returned to the department and has been on its staff of examiners ever since.

Superintendent Leggett is the first man ever selected for that position directly from the working personnel of the insurance department. He is essentially a "career man." Joining the department in 1937, he has served under five superintendents.

His confirmation by the senate is expected without opposition.

Payne Heads Family Life

Family Life of Seattle has elected C. D. Payne as chairman and William V. S. Smith as a director. Mr. Payne is president of Ellmar Packing Co., secretains of Ellmar Packing Co., secretains of Ellmar Packing Co. tary-treasurer of Ketchikan Packing Co. Mr. Smith is an attorney. For years he was superintendent of claims with United Pacific.

Insuring Clause Incomplete

The ambiguity of the insuring clause and its inconsistency with the section limiting liability was the basis for the Tennessee court of appeals affirmation of a lower court's decision that beneficiary was entitled to full death benefits. The insuring clause in effect said that the face amount of the policy would be paid as long as death did not occur within one year, making no mention of the section limiting liability to 25% in the event death was caused The case was Universal Life vs. Lillard

Fidelity Mutual G.A.'s Elect

Fidelity Mutual's General Agents
Assn. meeting at the company's convention at Hot Springs, Va. elected
Onnie B. Capps, New York Gity, president, M. S. Alexander, Wilmington, vice-president, and James H. Brennan,
Chicago, secretary. Charles E. Butler of Chicago and William Cummins of
Philadelphia were elected directors.
The company's C. L. U. chapter elected H. N. Lyon, San Francisco, president; B. C. Wharton, Harrisburg,
Pa., vice-president, and Elsie Ullrich,
Philadelphia, secretary.

Philadelphia, secretary.

Affeld Society Counsel

Francis O. Affeld, Jr., head of the law firm of Affeld, Sowers & Herrick, New York City, has been named counsel of the Insurance Society of New York. For years Mr. Affeld has been a member and a director of the society and is library committee chairman. Mr. Affeld was the unanimous choice of his fellow directors in their quest for an authority to whom to turn for legal

an authority to whom to turn for legal advice when it should be necessary in the course of the expanding activities of the society.

of the society.

Edward King succeeds Mr. Affeld as chairman of the library committee.

CONGRATULATIONS

SAM MILES!

Commonwealth Life extends hearty congratulations and good wishes to Mr. Sam E. Miles, as he assumes leadership of the Life Insurance Agency Management Association as a result of his election to the presidency at the annual meeting in Quebec.

The L.I.A.M.A. is fortunate indeed to have as its president a man with Mr. Miles' rich background in the life insurance business and in L.I.A.M.A. affairs.

Mr. Miles, who is Vice President, Provident Life and Accident Insurance Company, Chattanooga, Tennessee, is sure to discharge his new responsibilities with the same energy and devotion which has so conspicuously characterized his business career, and his previous L.I.A.M.A. service as committeeman, director, and committee chairman.

Congratulations to you, Sam!

Insurance in Force-November 1, 1949-\$429,129,115

COMMONWEALTH LIFE INSURANCE COMPANY LOUISVILLE

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Cancer, Violence ZS **Top Death Causes** ent Among Jumbo Risks 54, who Missouri

An interesting sidelight regarding mortality on policies of large amount was contributed by William J. November, associate actuary of Equitable Society in a discussion before the Society of Actuaries. On the basis of recent inter-company experience, Mr. November indicated that on policies of large amounts, the worst mortality was at durations of three to five years. Since the incontestable and suicide-exclusion clauses are for only two years, this indicates a degree of selection by the policyholders which is further substantiated by a "cause of death" study made by Mr. November showing that the leading causes of death were cancer and accidents (including suicide), while heart

ing causes of death were cancer and accidents (including suicide), while heart and circulatory diseases were well below what might be expected.

E. W. Marshall, vice-president and actuary of Provident Mutual, discussed the causes of the higher mortality experienced on large or "jumbo" risks, and cautioned the actuaries not to forset the unsatisfactory experience of the and cautioned the actuaries not to for-get the unsatisfactory experience of the depression years. It is necessary, he said, for extreme underwriting vigilance and preventive measures to counteract the poor mortality which anti-selection by the policyholders and the economic conditions of the business cycle may

George Holmes, assistant general manager Manufacturers Life, discussed the effect on term insurance mortality of "reselling" and stated that the tendency for healthy lives to replace term insurance with permanent insurance while impaired lives were more likely to keep the term insurance very likely had an adverse effect on term mortality.

Cal. C. of C. Plans Session on Insurance Problems

A special session on insurance problems confronting the people of the country has been arranged by California State Chamber of Commerce for its meeting at Los Angeles. Dec. 1-2.

At this session, conducted by John E. Cushing of San Francisco, chairman of the social security committee, speakers who will lead discussions include: Ralph J. Walker, vice-president Pacific Mutual Life, "California's New Hospital Benefit Law—Its Causes and Effect"; R. A. Hornby, vice-president Pacific Lighting Corp., who has been fighting compulsory health insurance in Washington, "A Pariah Views Mass Medicine"; Edmund D. Leonard, San Francisco attorney specializing on workmen's compensation and liability law, "Workmen's Compensation Insurance—Free Wheeling and No Brakes."

Homicide Not Accident

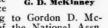
Illinois appellate court has reversed a lower court decision granting double indemnity benefits to the beneficiary of an assured who died following a beating administered during robbery of his gas station. The beneficiary claimed that her husband died from accidental means while the insurer contended he died as the result of homicide. The facts established that assured died as the result of homicide and since such death was specifically excluded in the accidental death benefit clause, the court ruled that beneficiary was not entitled to double indemnity. The case was Langvin vs. Rockford Life.

Gutmann Mutual Leader

Harry K. Gutmann of the Kassoff agency of Mutual Life at New York City, led all the company's producers in October. Following were: G. W. Johnson, Cincinnati; A. W. Herrman, Portland, Ore.; S. S. Herwitz, Cincinnati, and Gordon Coryell, San Francisco.

Cost of Regular Insurance Compares Well with NSLI in Fair Test, Says McKinney

son between NSLI and commercial life insurance would not be unfavorable



not be unfavorable to the insurance business, according to Gordon D. Mc-Kinney, actuary of the National Assn. of Life Underwriters.

In the absence of exact administrative costs for NSLI, Mr. McKinney has made as close a comparison as possible between NSLI and commercial life insurance, which appears in the November issue of "Life Association News."

Discussing various NSLI costs and subsidies, he says that the most important one, of course, is the taxpayers' assumption of excess liabilities connected with service deaths or disabilities, which amounted to more than \$3½ bil-

nected with service deaths or disabilities, which amounted to more than \$3½ billion up to 1948. As to administrative expenses, interest subsidies and tax exemptions, which are difficult to state on a definite basis, he cites the estimate of the Tax Foundation, Inc., that these items would amount to some \$100 million a year, which Mr. McKinney considers to be on the conservative side.

As to why \$2.8 billion in dividends can be paid, Mr. McKinney points out that claims paid by the NSLI fund are solely for civilian hazards, and in fact

While it is apparently impossible to determine the total Life Insurance administrative costs, including assistance rendered by various other government agencies and outside groups, such as insurance men, it seems reasonable to conclude that a complete and impartial comparison between NSLI and commercial life

would be the reserve under these policies.

While NSLI funds are invested and reserves are accumulated on a 3% basis, resulting in no excess interest, nevertheless the special NSLI dividend contains a substantial interest element, representing interest on profits belonging to the policyholders but held in the insurance fund because of the delay in paying dividends. This could amount to between 15 and 20% of the total dividend. This does not represent excess interest earned, but only interest on held-back dividends and therefore should not be considered in determining the net cost of NSLI to the policyholder, Mr. McKinney observes.

There is no expense item in the NSLI dividend formula, since premiums did not contemplate expenses and all

10-Month Gain 2%; Oct. Sales Up 8%, Ordinary Ahead 2%

October insurance sales in the United States were \$1,861,000,000, a gain of 8% over October, 1948, but 3% under October, 1947, according to the Life Insurance Agency Management Assn.
Ordinary sales were \$1,178,000,000, up 2% from October, 1948 and 9% under October, 1947.
Industrial amounted to \$416 million

Industrial amounted to \$416 million, up 10% and 4%, respectively.

Group was \$267 million, up 39% over October, 1948, and 22% over October,

1947.

In the first 10 months total sales were \$18,373,000,000, up 2% and 1% over October, 1947 and 1948, respectively. Ordinary was \$11,894,000,000, a negligible decline from last year and 1% under 1947. Industrial was \$3,943,000,000, up 6%, while group was \$2,536,000,000, up 12%.

October Sales

October Sales (000,000 Omitted)

	(,		'49	over
	1947	1948	1949	'48
Ordinary	\$ 1,290	\$ 1,150	\$ 1,178	2%
Group		192	267	39%
Industrial	400	378	416	10%
Total	\$ 1,909	\$ 1,720	\$ 1,861	8 %

First 10 Months

			'49	over
	1947	1948	1949	'48
Ordinary\$	12,040	\$11,953	\$11,894	0
Group	2,351	2,267	2,536	12%
Industrial	3,816	3,709	3,943	6 %
Total\$	18,207	\$17,929	\$18,373	2 %

interest on held-back dividends. If NSLI dividends had been paid annually this item would not exist. This interest represents approximately 10 cents of the total monthly dividend of 55 cents per \$1,000. Thus, the true monthly dividend on an annual basis would be 45 cents per \$1,000.

This 20-cent difference, or \$2.40 a year, would represent the mortality cost to the policyholder. It is surprising that this mortality cost corresponds so closely with similar life insurance company mortality, Mr. McKinney says. In view of the taxpayers' paying of service claims, those insured under NSLI should be a better than standard risk as against standard risks for insurance companies. In fact, he feels that an even more favorable mortality experience should have been expected under NSLI.

Basic Differences Noted

Basic Differences Noted

Even allowing for the difficulties which the administrators of NSLI faced just because of its tremendous size, there are basic differences in service at the time of sale and after the sale that differentiate NSLI from regular life insurance, Mr. McKinney points out. The type of needs-analysis and programming that characterizes the agents' services cannot be available under a program such as NSLI, under which mass sales predominated and a personal appraisal of needs was out of the question.

"In short, the prospect buys the policy presented without determining whether or not it fulfills his needs and financial obligations," Mr. McKinney observes, adding that the same handicap applies to service after the sale.

Mr. McKinney's article analyzes all the relevant factors in considerable detail. It is being published in pamphlet form for N.A.L.U, members and will also be sent out by L.I.A.M.A. and the Life Insurers Conference.

Holmes Seeks Congress Seat

Commissioner Holmes of Montana has announced that he will be a candidate for Congress from Montana's eastern district next year. Although he has lived in Helena for many years, he maintains legal residence at Great Falls. Mr. Holmes is a Democrat and has been state auditor since 1932. He ran for Congress several years ago.

Seeing Color

James E. Roberts, our General Agent in Montana, recently appeared before a Rotary Club talking about stream fly fishing for trout, drawing from his lore gained in 45 years on the streams of Montana, Wyoming and Wisconsin. His talk was so popular as to get him over a column of report in the Laurel Outlook.

"A dry fisherman himself, he managed to maintain a charitable attitude toward the users of worms, minnows, metal and wood gimeracks, and hoppers." He named as the "bread and butter" flies the coachmen, professor, captain, grizzly king, cahills, duns, midges, hackles, and ventured to answer "a never-ending argument among fishermen whether fish can distinguish colors or just see forms." He was convinced they see colors. Jim Roberts ought to know, for all fishermen themselves are quietly

A life insurance man who knows that human interest is not in the fish but in the fishermen will make friends in all directions. By realizing that his audience, wherever he goes, contains so many enthusiastic about fishing, Jim Roberts captivates his hearers. Later on his fishing friends will listen when he talks shop.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOM ADAM INDEPENDENCE SQUARE, PHILADELPHIA

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Walker Terms Health & Welfare Interest Genuine

Ralph J. Walker, vice-president of Pacific Mutual Life, declared at an insurance conference of the Merchants & Manufacturers Assn. of California at Los Angeles that the current interest in health and welfare plans is grassrooted and is not the result of artificial generation by union business agents and the labor hierarchy. Employes have always wanted health and welfare plans, Mr. Walker declared, and when given the opportunity, have been willing to pay all or a substantial part of the cost. The speaker pointed out that the west

coast has been the last region in the country to feel the impact of the move-

In answer to the question of whether it is easier or harder to cut gross wages if business conditions make this necessary when a part of the wage is a contribution for health and welfare benefits, he commented. "I should think it would be easier; that an employe who has the security provided by a benefit plan will more readily take a temporary cut in

cash wages than one who hasn't, and if he has some equity in a pension plan, he

a company plan is not whether he pays a part of its cost, but whether the benefits are adequate and have been pre-sented to him in a manner which he understands. It is important to remem-ber that a contributory plan with adequate benefits will be more appreciated than an employer-financed plan with inadequate benefits, he stated. Nevertheless, he emphasized that there are no immutable principles in this connection and the answer to the question of who shall pay must be on a dollar-and-cents ground

Mr. Walker stressed that this is but the first round in insurance and pension negotiations and that any employer should be prepared for renegotiations on this subject again and again. He pre-dicted that the tendency will be toward employe contributions under nego-

tiated plans.

Lingle Educators Secretary

Tom C. Lingle has been named secretary of Educators Mutual succeeding A. W. Adee, who is now Philadelphia

Mail Order Code will stay on rather than go elsewhere." It was Mr. Walker's thesis that what determines an employe's appreciation for Before Year End

WASHINGTON-Indications are that federal trade commission will promulgate its trade practice conference rules for the mail order insurance before Jan. 1. Commission officials hope so, Jan. 1. Commission officials hope so, and Wendell Berge, counsel for Insurance Advertisers Association, believes it

ance Advertisers Association, believes it will happen.

Delay in handling this matter is attributed to personnel changes in the commission and its staff. The matter had been assigned to Commissioner Davis, who recently died. James Mead was sworn in last week as successor to Commissioner Ferguson. John Carson recently succeeded Commissioner Freer. Because of vacancies and illness among the commissioners. Henry Miller, chief the commissioners, Henry Miller, chief of the commission trade practice conference division, has not pushed the mail order case, it is understood.

While differences have been reported

While differences have been reported among FTC staff members over particular provisions of the code, no important changes in the proposed rules have come to attention of outsiders.

The matter is still in Miller's division, and in its rule-making section, in particular. It will go from there to members of the commission for review. They may possibly send it to their chief counsel's office, on account of its importance and FTC entry upon the new ground of insurance regulation. Meanwhile, Mr. Berge was set to argue before the federal court at Chicago this week the case of an indictment involvweek the case of an indictment involving Arcadia National of Chicago. Motion to dismiss has been made on the ground that provisions of public law 15 tend to invalidate that proceeding or the postal law upon which it was based.

Rates for Health Cover in New York Go Up

NEW YORK—The Health Insurance Plan of Greater New York has increased rates 13 to 19%, effective Jan. 1 and at that time will extend coverage to include employes with incomes of more than \$5,000 a year or whose family income is more than \$6,500. Previously those with incomes above these amounts

were excluded from participation.

Increased medical and administrative costs forced the increase in rates. New rates for lower income families will be 66 cents a week for a person with no dependents, \$1.33 a week for a person with one dependent and \$1.90 a week for one with two or more dependents. These rates compare with 56 cents, \$1.12 and \$1.68 per week, respectively. If the employe only is covered, not dependents, the rate goes from 51 to 56 cents a

For those earning more than \$5,000 or with a family income of more than \$6,500 the rates will be somewhat higher than for those with lower income brackets. The plan insures 227,000, including dependents, in the New York

metropolitan area.

The plan Jan. 1 will institute cash indemnity cover for employes and dependents who live in New Jersey, Connecticut, or other localities outside the effective area of the plan.

Scholarship Ceremonies

MADISON, WIS .- Four University MADISON, WIS.—Four University of Wisconsin seniors, including Robert J. Wilson, of Milwaukee, end on the 1949 football team and a 1948 All-American selection, were each presented with a \$250 cash scholarship award for scholastic achievement in the school of commerce insurance department.

The awards were made by four Wisconsin insurance companies at a meeting of the university's insurance society at the Park Hotel. Neil G. Cafferty, university controller, introduced the in-

surance company executives who announced the awards.

To Paul A. Klein of Wausau went the Farmers Mutual Automobile scholarship, presented by H. L. Wittner, secretary; to Thomas E. Green of Merritt went the General Casualty of Madison scholarship, presented by P. N. Snodgrass, secretary; Wilson received the National Guardian Life scholarship, presented by Richard Boisceived the National Guardian Life scholarship, presented by Richard Bois-sard, president; John G. Foyer of Chicago got the Old Line Life scholarship, presented by J. H. Daggett, president. Guest speakers at the meeting were R. A. Mitchell, Chicago marine manager and E. S. Mason of the same department of North America at Chicago.

John Siewert, president of the insurance society, presented honorary memberships in the society to T. W. Doig, managing director of Cuna Mutual, and I. J. Maurer, treasurer of Farmers Mutual Automobile.

N. J. Employers in Mass Migration from State Fund Employe Benefit Men Told

New Jersey businesses operating under the temporary disability benefits law are mass-migrating out of the state fund and into their own private plan arrangements, W. R. Bull, social security director of the New Jersey Chamber of Commerce, said at the meeting in Chicago of the Federation of employe benefit Associations.

Companies are leaving the fund at the rate of 100 a month because of more generous benefits in private plans and because it affords employers a measure of control against malingering not available through the state fund, he said.

Reduction of Policy Loan Interest in Mass. Opposed

BOSTON — At a hearing before the legislative committee on insurance, Commissioner Harrington was recorded in favor of dropping interest rates on policy loans to 5%. Company representatives opposed a proposal advanced at the hearing to cut the maximum interest from 6 to 3%.

Most companies are now lending money at 5%, John Barker, Jr., general counsel of New England Mutual, stated. He told the committee there is little

He told the committee there is little profit on such loans, adding that the borrower should at least bear the cost

his loan. Edward Parks, assistant counsel of State Mutual, warned that a reduction in the rate would stimulate borrowing

on policies.

Also opposing the reduction were Bailey Aldrich, Columbian National; Gerhard D. Bleichen, John Hancock: Ralph A. Armstrong, Massachusetts Mutual, and Russell Stobbs, Paul Revere Life. vere Life.

Defends Ban on Negroes

Metropolitan Life in connection with its Stuyvesant Town apartment project through its counsel has told the U. S. Supreme Court that it has the right to choose its own tenant. The reply was made to a request for a review of a New York state court decision against three Negroes who said apartments were denied them because of their race. Counsel for Metropolitan told the court it is the legal duty of directors of Metropolitan and Stuyvesant Town to adopt poli-cies to protect the safety of investments made for the benefit of policyholders. Therefore, the directors decided, the project should not, at this time, be tenneted by Norses. tenanted by Negroes.

Calendar Again Features Dogs

Massachusetts Mutual is again using Massachusetts Mutual is again using dog pictures in its new calendar. There are a number of appealing pictures of puppies. The dog series has proven extremely popular with the public over the

"There's LIFE in the BERKSHIRE!" "Braggin' again?" "And why not? Just closed another nice case, thanks to the Berkshire's FIVE YEAR TERM-Renewable to Age 60 Policy. "It sure is the ideal solution to the problem of the client who needs adequate long term life insurance protection at very moderate cost.

"The Policy also provides very desirable conversion privileges without evidence of insurability which is another point in its favor with discriminating buyers of life insurance."





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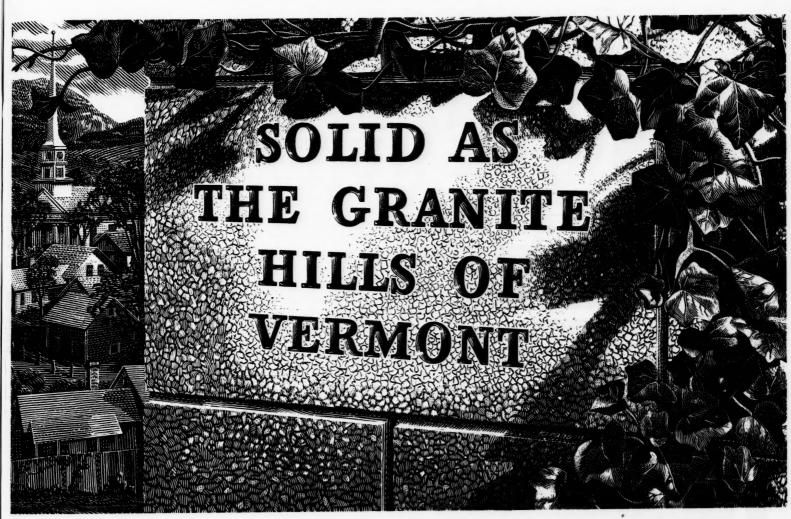
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T.I.A.A. Advances Jenkins, Duncan

Teachers Insurance & Annuity has elected Wilmer A. Jenkins administrative vice-president and Robert H. Duncan as actuary. Mr. Jenkins has been vice-president and actuary since 1942 and Mr. Duncan has been associate actuary

Elected assistant vice-presidents were Harold B. Brian, accounting officer since 1946; Robert E. Fisher, assistant secretary since 1945, and Frank A. Mc-Connell, controller since 1938. Richard F. F. Nichols was named in-

vestment officer, and Albert L. Trow-bridge mortgage officer. In addition, Joel Per was appointed mortgage attor-ney, Disque Deane assistant treasurer, and Corwin H. Barnum, and Joseph W. Kifner assistant secretaries

Newly-appointed administrative assistants are Joseph Bostock, mortgage auditor, and Eileen Knollin, policy issue

auditor, and Elleen Knollin, policy issue supervisor.

Mr. Jenkins, joined the company as actuary in 1937. He started as a mathematics teacher at the University of Michigan and Harvard. He then served as vice-president and consulting actuary of the L. A. Glovert Co. of Chicago after

which he joined the staff of the Lincoln stitute and president of National Life National Life.

Duncan joined the company assistant actuary in 1948 and shortly thereafter was advanced to associate actuary. Previously, he had served with the Home Life from 1934 to 1948.

Dr. Mark H. Ingraham, professor of mathematics and dean of the college of letters and science, University of Wisletters and science, University of Wisconsin, has been elected as policyholder representative on the board of trustees of Teachers Insurance & Annuity.

Chicago Trust Council Hears Leonhard at Nov. 30 Lunch

Carleton B. Leonhard, vice-president Detroit Trust Co., will speak at the luncheon of Chicago Life Insurance and Trust Council on Nov. 30. Subject of Mr. Leonhard's address will be "How Intelligent Cooperation Pays Off."

Institute Sets Theme of Annual at N. Y., Dec. 16

"Life Insurance Is an Open Book" has been selected as the theme of the annual meeting of the Institute of Life Insurance at the Waldorf-Astoria in New York, Dec. 16. Edwin W. Craig, chairman of the in-

& Accident, will preside and open the morning session with a discussion of the challenge in the open book. This will be followed by an exposition of the activities of the institute by the heads the various divisions.

The morning session will close with a talk by an outside speaker, and there will also be a luncheon speaker from outside the business. Following lunch-eon there will be a business session, including the election of the directors. A meeting of the board will wind up the

Gore Leaves Lincoln Natl. For Occidental Chicago Post

Harold G. Gore, general agent for Lincoln National Life at Wichita, has resigned to join Occidental Life. He is now in the Occidental home office preparatory to going to Chicago as assistant to Coorde V. Shipley vice-president ant to George V. Shipley, vice-president

3,300 in LUTC Classes, Nearly Double Last Year's

Fall enrollments in 135 L.U.T.C. classes total 3,300 as against 1,700 in 1948. There are 1,231 ordinary agents, 1,033 from combination companies, in field management, and 315 brokers. Scholarship plans are made available by more than 45 companies.

Powers Cincinnati Speaker

More than 90% of the prospects will buy if the agent adopts a philosophy in which he sincerely believes, if he learns how to teach his philosophy to his prospects, and if he has the mental attitude to teach it, H. T. Powers, sales consultant and author of Powers estate and the property of the product of the prospects with the prospects will be product of the produ analysis system, Cleveland, told Cincinnati Life Underwriters Assn.

Mr. Powers pointed out that agents must convince attorneys, trust men and accountants that the primary purpose of an estate must be to guarantee economic security and not to maintain

an inferior property.

Association president R. D. Ross,
Jr., Great-West Life, reported an alltime high membership of 520. The association again this year is sponsoring a Christmas party for under privileged

Insurance People on Council

New officers of the South Atlantic Council of Industrial Editors include C. E. Little, Palmetto State Life, vice-president; Allen Mosby, Durham Life, secretary, and Miss Jeanette Fair, Jefferson Standard, treasurer.

Issues Chart on Government

Copies of a chart showing the com-plete organization of federal executive departments and agencies has been sent to all Northwestern National Life agents. The chart shows the number of personnel in each operating unit of a federal executive department or agency and illustrates the great size of the federal government."

Ewin L. Davis, member of the federal trade commission who died at the Bethesda naval hospital at the age of 73, will be remembered as the man that gave the opening talk at the FTC hearing at Chicago on proposed rules for mail order insurance. He was a brother of the late Norman Davis, one time head of American Red Cross.

J. Paul Jackson, Dallas attorney, will discuss treasury department regulations at a meeting of the Fort Worth Trust Council.

The wife of Robert W. Adams, an agent in the home office of Pilgrim Na-tional Life at Chicago, has issued an appeal for aid in finding her husband who left home in his automobile on Nov. 3 and has not been heard from

Occidental to Up Capital \$9½ Million

LOS ANGELES — Occidental Line has filed a request with the California department to increase its capital from \$3 million to \$12½ million by transfer willion from surplus, following of \$9½ million from surplus, following action of the directors at its November

According to President Dwight L. According to President Dwight L. Clarke, the proposed action involves a new stockholder investment of \$3½ million in Occidental by its parent concern. Transamerica Corp., and increases the company's total of capital and surplus to nearly \$23 million.

The move is in keeping with Occidental's rapid growth of the past five years, Mr. Clarke declared. Occidental has added more than a billion dollars of life insurance in force in that period.

Davis Named Supervisor

Life & Casualty has promoted John W. Davis of El Dorado, Ark., to state ordinary supervisor for Arkansas and Missouri. Except for army service he has been with the company in El Dorado since 1942.

Fred S. James has joined the Chicago staff of Rollins Burdick Hunter Co. He started in 1933 with Fred S. James & Co. which was founded by his grandfather. For the past three year's he has been with Connecticut Mutual Life.



WONDERING WHAT TO GIVE AN UNDERWRITER FOR CHRISTMAS?

A year's subscription to R & R Magazine is always appreciated by life insurance men and women. It is a gift which is "long remembered" one which comes 12-times a year.

Readers tell us R & R is the best magazine published for the life underwriter. Be that as it may, this we do know: Throughout 1950 it is going to be "better than ever."

For companies, general agents, and managers who want to give the R & R Magazine to their associates for Christmas, we have two types of subscriptions:

(1) Individually mailed: To names and addresses you supply. Subject to substitution of a new name for an old at any time, or prorata can-cellation. \$2 each.

(2) In bulk: All copies mailed to-(2) In bulk: All copies mailed together to one address and billing. Per copy per year: 2-9, \$1.80 each, 10-24, \$1.74; 25-49, \$1.68; 50-99, \$1.62 ea.; 100 or more, \$1.56 ea. per yr. (Plus shipping cost.) Gift subscriptions will start with December issue cember issue.

ON DEC. 15 WE'LL MAIL SPECIAL CARDS ADVISING OF YOUR GIFT.



PAUL SPEICHER

THE INSURANCE RESEARCH & REVIEW SERVICE INDIANAPOLIS

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Table d'Hote Outsells

It is a growing American habit to buy

complete programming in one policy

through rider-added benefits.

It makes bigger sales, too!

of California

occidental life

V. H. JENKINS. Senior Vice President

INSURANCE COMPANY

things in neatly packaged combinations.

This explains the popularity of Occidental's

It makes buyer sense when one can have

clean-up funds, family income, mortgage

disability coverage — or combinations of

these and other benefits - in one policy.

We pay agents lifetime renewals - they last as long as you do"

protection, retirement benefits and

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Tax Proposals in **Drafting Stage**

November 25, 1949

WASHINGTON — The proposal reportedly agreed upon by the Lynch ways and means subcommittee and representatives of most life companies for taxing life company income is now in the drafting stage, in the hands of Treasure department officials and experts of the joint committee on internal revenue taxation. The second week of December has been tentatively suggested for the next meeting of the Lynch committee to review a draft of the proposal and prepare a report to the full ways and means committee. Rep. Lynch is now in Puerto Rico.

The drafters have the views of the

The drafters have the views of the McAndless committee representing the Life Insurance Assn. of America and American Life Convention on the proposal. Mr. McAndless was asked to write a letter to the committee stating his understanding of the agreement reached between his group and the Lynch committee. Minority views were also sought by the latter, for the drafters. Acacia Mutual, Northwestern Mutual, and a few others were asked to write and a few others were asked to write the committee outlining their views and what their objections are to the Lynch plan. The Lynch committee wanted to get all sides for the benefit of the drafters and for consideration in preparation of its report to the full ways and means committee.

Meanwhile, no copy of the draft plans was available, it being stated that the draft will be a confidential document for use of the committees.

Goldstein Warns Against Splitting Pension Plans

The Bethlehem Steel pension negotiations highlight the dangers of an em-ployer who maintains separate pension ployer who maintains separate pension plans for union employes and non-union employes, Meyer M. Goldstein, executive director of the Pension Planing Co., New York City, warned in a panel discussion at New York University. Where there are two different pension plans, there will be continual comparison between them, he declared. "We saw this in the case of the steel companies when in the case of the steel companies when the unions argued that it was not correct to give executives non-contributory pensions in large amounts, whereas the union members were asked to make contributions. On this issue the union was correct, because employers should treat all employers accounting the contributions. was correct, because employers should treat all employes proportionately alike and if any employes are asked to contribute, then all employes including union, non-union and executive should likewise contribute," he stated.

Where the benefit provisions are not proportionately alike, the union always has something to point to if the non-union plan is proportionately better.

union plan is proportionately better. Conversely, if the non-union employes' pensions are relatively less, that is a strong argument that the union would use to organize those who are not or-

Crichton at Bluefield

More than 100 insurance men from three counties gathered at Bluefield for a dinner honoring Commissioner Crichton of West Virginia.

Ralph Taylor, executive committee-man of West Virginia Assn. of Insurman of West Virginia Assn. of Insur-ance Agents was chairman of the com-mittee that arranged the gathering. President Rhodes of West Virginia Life Underwriters Assn. presided. Mr. Crichton announced that, begin-ning April 1, prospective agents will be required to pass tests given by his department.

department.

Holmes Seeks Congress Seat

Commissioner Holmes of Montana has announced that he will be a candi-date for Congress from Montana's

eastern district next year. Although he has lived in Helena for many years, he maintains legal residence at Great Falls. Mr. Holmes is a Democrat and has been state auditor since 1932. He ran for Congress several years ago.

Parkinson Slated as Probe Witness

WASHINGTON—The na Thomas I. Parkinson, president

Vogel Named G.A.

Herbert Vogel, Toledo, has been appointed general agent in northwestern Ohio and southern Michigan for the Lutheran Brotherhood. He has been field supervisor for the society for 10

WASHINGTON-The name of WASHINGTON—The name of Thomas I. Parkinson, president Equitable Society, has been added to the list of life executives to testify before the Celler subcommittee investigating monopoly, thus making a total of nine. He will appear Dec. 1, the committee being unable to conclude its hearings this month this month.

Date for appearances of some of the

insurance witnesses have been rearranged for convenience. J. A. Fulton, president Home Life, will testify Nov. 29, instead of 30. President Carrol M. Shanks of Prudential, is scheduled for the 30th instead of the 28th. F. D. Russell, president Security Mutual of Binghamton, will appear Nov. 30, instead of 29, and William Montgomery, president Acacia Mutual, on the 29th, instead of 30th.

American Hospital & Life has opened an agency at Longview, Tex., with Mel-vin Young as manger. He has been with Reserve Life.



LIFE INSURANCE ADVERTISERS ASSOCIATION Amard of Excellence

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The Radiator The Congratulator

And to the Massachusetts Mutual Annual Statement, the bronze "Oscar of Industry" was awarded by the Financial World judges for the best 1948 annual report among the life insurance companies.

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY Springfield, Massachusetts



Just a Minute, Please!

Agency Builders Wanted



Write in Confidence to Raymond F. Low, President

AMERICAN RESERVE LIFE Insurance Company

LIFE - ACCIDENT - HEALTH - HOSPITALIZATION

A QUARTER CENTURY OF SOUND GROWTH

Cliff Mc Millen

When life insurance in adequate amounts is properly programmed, the agent or broker has given his client complete protection for his family and himself.

> Clifford L. McMillen 347 Madison Avenue New York 17, New York

No. 45 of a series - No. 44 appeared last week

Swedish Commission Votes Against Nationalization

investigation and discussion, a seven man committee of the Swedish parliaman committee of the Swedish parliament has voted unanimously against the nationalization of the insurance business in that country. News of the action was revealed in an interview here by Gunnar Kalderen, vice-manager of Skandia, and Iwar Sjogren, president of that company. Mr. Sjogren and Mr. Kalderen flew here for a short visit with executives at the U. S. head office.

The committee was composed of three Socialists. moderate party: a Commu-

The committee was composed of three Socialists, moderate party; a Communist, an Agrarian, Liberal and Conservative. Its objective was to investigate the insurance business and outline an organization of it that would be best suited for taking care of the interest of policyholders. Whatever form of organization the committee decided on, according to its instructions, had to satisfy a demand for the solidity of the busia demand for the solidity of the business, provide policyholders a protection suiting their requirements at the lowest possible cost and give them speedy and equitable loss settlements.

Government Auto Cover

By a vote of four to three, along polit-By a vote of four to three, along political lines, the committee voted to nationalize "traffic insurance," which is motor vehicle casualty coverage. Sdeden has had compulsory automobile liability insurance since 1929.

According to the committee, the essential aims of a program of reform for the private insurance industry ought to be to safeguard a democratic influence within private insurance to create as far

be to safeguard a democratic influence within private insurance, to create as far as possible a guarantee for the protection of legitimate interests of insured and to increase the possibilities of society for supervision and control of the activity. The committee then concluded that this goal can best be attained within the framework of the present insurance structure, excepting of course traffic insurance.

Stock Life Companies

Stock Life Companies

The Swedish stock life companies have made a declaration to the committee that they are prepared to insert a clause in their statutes to the effect that in event of dissolution all assets except those corresponding to the share of capital shall be considered property of policyholders. A new life insurance law went into effect last Jan. 1 which enforces a limitation on the right of companies to distribute profits to shareholders, where the company is a stock company. Consequently, the committee observed that there is little difference now between the stock and mutual life insurer.

Mr. Kalderen and Mr. Sjogren pointed out that the changes in the law with respect to life insurance were largely technical and were concerned principally with payment of "bonuses" corresponding to dividends in the U. S., to policy-

NEW YORK — Following lengthy interest rates have been going down in Sweden with a corresponding necessity for increasing reserves brought the matter to a head and resulted in the legis-

Form Separate Life Units

The law also provided that where a company did a combined business, which many of the older companies did, they couldn't take up another branch of the business anew in the future. Skadia, Svea and Skane, three insurers under the same management, each formed separate the bandle life investments. The legislation reflected the fear that a catastrophe on the fire side might jeopardize the protection of the life policyholders.

In the well managed companies the life business had in effect been operated separately with its own reserves and method of operation prior to the law, but the law insured a clear line of demarcation. Securities that life companies may purchase are prescribed by law in marcation. Securities that life companies may purchase are prescribed by law in Sweden as they are in the U. S., reserves are prescribed by law, etc. The types of investment are much the same as in the U. S.—mortgages, governments, good industrial bonds, and the like. The companies can invest "surpluses," which is the amount above requirements for premium reserves, in common stocks.

Policyholder Representation

The committee suggested that to further democratic management in joint stock insurers, policyholders should have an opportunity to get on the board. The new insurance law provides for representation of policyholders on the board of mutual companies. As an alternative to a policyholder, the government might be entitled to nominate a member of the board to look after policyholders' interests, the committee suggests.

The committee recommended a reduction in the present number of compa-

tion in the present number of compa-nies, "to the extent as is desirable with nies, to the extent as is desirable with regard to a sound development and the need of the market." It did not recom-mend a forced realization of the reduc-tion but thinks it ought to be left to pri-vate insurance interests "to pursue the development towards increased concentration that has already been initiated voluntarily." The committee advises consultation between companies and the government insurance department on the government insurance department on the matter, to work out the prerequisites for deliberate planning and continuity. To facilitate this objective, the committee proposes certain amendments to the insurance law.

Some recommendations were made as regards investments of insurers, and-views were expressed regarding group life, "which is expected to get increased expansion during the next few years."

Franklin Drive Honors Becker's Birthday



Charles E. Becker, president of Frank-Charles E. Becker, president of Frank-lin Life, cuts the cake presented to him on his birthday, in honor of which the sales organization is engaging in its annual president's month campaign. Left to right: F. J. O'Brien, vice-president; Paul Becker, agency secretary; J. V.

Whaley, vice-president; President Becker; John Duffy, director of sales; R. A. Frederick, administrative vice-president; Ray Bailey, agency comptroller; Lillian Gilster, assistant director of sales promotion. The drive is showing a gain over last year's campaign.

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OBSERVATIONS

Good Story Goes Untold

An interesting story of an insured whose beneficiaries will receive more than \$18,000 for a \$31 premium payment was held up by a home office public relations man recently. An insured and his son were killed in an automobile accident before the policy itself had been issued. However, the medical examination and the application had been completed and with the first check sent to the home office by the agent.

What might have been a first-class human interest story and developer of considerable local good will for the company had to be held up when the wife of the insured sued for damages the owners of the truck which struck and killed her husband and son. She and her attorneys felt that if the story appeared in the local press telling what she was

in the local press telling what she was to receive in life insurance benefits potential members of the jury, which would be selected to hear the case, might be influenced and keep the judgment in her favor lower than anticipated.

Older A. & H. Risks

Older A. & H. Risks

In New York the legislators are looking askance at the inability of older people to secure accident and health coverage. Companies are studying the problem and reviewing their practices. As a matter of logic, a company certainly would be entitled not to accept such risks after they have been turned loose by other carriers. Certainly they are entitled to have had the insurance during the time when insured was at least an average risk with respect to accident or illness, in order to build up "credit" for the time when he becomes more prone to both.

All in a Day's Work

Long distance travelling is not the Long distance travelling is not the factor it once was in keeping executives away from their homes. The following is the rough outline of a schedule followed by a New York insurance man who flew to Chicago and returned on the same day with no more time involved than if he had gone to a banquet or dinner after work. Arise 7 a.m.; breakfast 7:30; leave home on Long Island 8; plane at LaGuardia 9; land Chicago 11:15 Chicago time; taxi to Edgewater Beach; lunch.

Edgewater Beach; lunch.
The remainder of the afternoon was spent listening to several speeches and delivering one. Plane out of Chicago at 6 p.m., arrive at LaGuardia 10 p.m., New York time; home 10:45 p.m.

Aimless Pension By-Paths

Life insurance men, in their interviews these days with business executives, very often find themselves engaged in lengthy discussions about pension matters. This, of course, is perhaps the most engaging topic in the nation just now and business executives apparently enjoy the opportunity of discussing various aspects of the problem with life insurance men that possess specialized knowledge in the field. However, some agents are waking up to the fact that they are being led down aimless bypaths by most of such discussion, because most of these executives have no immediate intention of installing a pension plan but are merely talking around the edges and developing background for themselves.

Some general agents have detected that their mean researching in the second of the se Life insurance men, in their interviews

ground for themselves.

Some general agents have detected that their men are engaging in such talkiests and are not bringing home the bacon and they have counselled the men to avoid being sidetracked in this fashion. One suggestion is that when the subject of pensions is opened up, the agent say that before he can begin to discuss the pension question he must know first the amount of the company's payroll and how much of it the management is prepared to put out for pensions. That usually suffices, as the

executive more often than not is not prepared to carry on the discussion in such an earnest way, and the agent can proceed to his task of trying to sell some good old-fashioned garden variety life insurance. life insurance.

Irvine Tells Agency Cost Research Plans

Thomas Irvine, research actuary of L.I.A.M.A., described work being done in the field of agency costs as a part of the research division's panel discussion at the L.I.A.M.A. annual meeting in Quebec.

Mr. Irvine declared that while the "Agents' Compensation Check List," the "Handbook of Standard Contracts," the 1947 report, "Financing the New Agent," and the booklet, "Mathematical Tables," formed a good basis for the work still to be done much more remained to be to be done, much more remained to be studied in this field.

He listed as points to be studied an extension and improvement of the in-

formation on financing the new agent now being provided by the 1943 report on principles and the 1947 report on company practices; a study of practices in regard to grading commissions by plan of insurance; a study of special commission situations such as arise in term conversions and plan changes; fur-ther information on evaluation of conther information on evaluation of con-tracts such as that provided in "Mathe-matical Tables"; a study of form and content of contracts.

Invest Heavily in World Bank

WASHINGTON — Life companies' investments in bonds issued by International Bank for Reconstruction and Development are heavy, being second only to the amount held by savings banks. However, the exact amount of life company holdings has not been released leased.

The bank has outstanding dollar bond

issues totaling \$250 million.

No Knowledge, No Concealment

The Arkansas supreme court has ruled that since the applicant was not aware that at the time he made application for insurance policies he was suffering from a disease which would eventually cause blindness he did not

knowingly conceal a material fact. The assured had visited a physician specializing in eye diseases before making application and had not been told that his disease would lead to blindness. The case was Aetna Life vs. Mahaffy.

The assured's policies contained a waiver of premium clause which would be operative in the event of blindness.

Iowa Farm Bureau Parley

Iowa Farm Bureau Federation will hold its annual sales conference at Des Moines Nov. 28. Field representatives of Iowa Life, Iowa Farm Mutual and Iowa Mutual Hail will attend the meet-

Speakers will include Donald Kirkpatrick, general counsel of American Farm Bureau Federation; Keith Myers, manager of the Iowa Farm Mutual and Iowa Mutual Hail, and John Weaver, manager of Iowa Life.

Griffin Milwaukee Speaker

Willard H. Griffin, assistant director willard H. Grimn, assistant director of agencies of Northwestern Mutual Life, will address the dinner-meeting of Milwaukee Life Managers & General Agents Assn. Friday night on "The General Agent's Responsibilities as the Agent Sees Them."



Atlas...

... isn't the only one. Many clients feel that they, too, are shouldering a world—a world of expenses—and that adequate protection for their families is out of the question until their incomes increase.

They are pleasantly surprised to find that with The Prudential's Modified Life 5 policy they can afford additional protection right now-because the premium for the first five years is just half the rate in later years. At age 30, for example, the premium for \$5,000 Modified Life 5 is only \$65.10 annually for the first five years, \$130.20 in later years—and dividends are usually payable beginning with the end of the second policy

No wonder Prudential Representatives and Brokers sold 53,000 policies for \$303,744,998 on this one plan last year!



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EDITORIAL COMMENT

Need for Cooperation with the Doctors

to the life insurance business to name an expert who could give the benefit of life insurance know-how to congressional leaders interested in social insurance coverages could well be extended to the need for having a spokesman of outstanding ability who could represent all branches of insurance in the delicate matter of getting the doctors and the insurers together on some kind of workable basis. "Insurers" would have to include not only companies but Blue Cross and Blue Shield as well.

Some such basis is vitally necessary to knock the props out from under the do-gooders who say that the British type of compulsory health service is the only way of giving adequate medical care to those who are not getting it. If the doctors are not pushed into the British type of arrangement and the insurance companies are not to see the government take a long and important sten in the invasion of the domain of private insurance, the doctors and the insurance companies have got to get together on some arrangement that will permit the bulk of the population to leaving only the indigent for the govern- the first step would undoubtedly have ment to worry about.

be on both sides an attitude of open- ability of going along with a medical mindeness and willingness to compromise for the sake of the goal to be range, broad-gauge basis, shaving exachieved. But before we can hope for that attitude an atmosphere of mutual respect and confidence must be built nowhere if each side feels that the other is out to get all it can and concede little or nothing in return.

patient's income, the traditional medical procedure that is the biggest hurdle care. Too many doctors think that insurance men are mainly out to make a fast dollar. Only in an atmosphere of mutual trust and respect will it ever be possible for doctors to think seriously of modifying their traditional fee basis to make insurance practicable and for insurance people to put the ultimate goal above immediate profit, Both parties must, be motived by a genuine desire to make a real contribution to the public welfare but of course neither side wants to make all the concessions while feeling that the other is getting

Superintendent Dineen's exhortation all the gravy. That is why it is vital going to think that the other is getting the best of the deal.

Promoting this relationship between the doctors and the insurers is a fulltime job for a man of top caliber. Not only must he have the ability to inspire confidence but he must have the ungrudging support of the insurers he represents so he can pledge their effective backing.

An important contribution has already been made by the Health Insurance Council, through which all the companies writing disability business endeavor to improve relations between the doctors and the insurance business. The council a few months ago brought out a report that showed in detail just how much in the way of coverage was already being provided by existing private agencies. Previously no figures had been available on the whole picture. The report is an example of what needs to be done but there is vastly more that needs doing

In view of the present lack of unanimity among insurers on what insure against the cost of medical care, stand to take on medical care insurance to be a program of education among Before that can happen there must them to convince them of the adviscare program and doing so on a longpenses to the minimum.

As an example of what can happen when this attitude does not prevail is up. Arm's-length negotiations will get the present highly unsatisfactory hospitalization benefit added to the California cash sickness law. The companies, by fighting a rear-guard action Too many insurance people feel that to keep the status quo for two more the doctors are stubbornly devoted to years, found themselves saddled with a the grading of fees according to the type of hospitalization benefit that neither they nor any other party at interest wanted. If they had been willin providing insurance against medical ing to compromise earlier in the negotiations it is believed they would have settled for an increase in the benefit limit from the old \$25 weekly figure to \$30 or at the most \$35.

In dealing with doctors, much work will have to be done at the community level. An example of this in the hospitalization field was the successful effort of companies to get the Chicago hospitals to accept insurance certificates on the same basis as Blue Cross cards. A similar plan is in the works in Milwaukee.

It will not be easy to get the doctors

to modify their long-standing system fair and the insurance business might of grading their fees according to the as well get used to it. If the insurers patient's income. Yet it is obvious that and the doctors show signs of coming this plan is incompatible with any known system of commercial insurance. To set up a system to cover people earning, say, less than \$3,000 a year is to build up this atmosphere of mutual no answer to the threat of socialized confidence, for without it each side is medicine. In a given community there might be only a small percentage making less than \$3,000 a year and still able to afford the medical care insurance premium.

The answer plainly is some plan that will permit patients, no matter what their incomes, to pay their premiums and be covered for complete medical care. It's not going to be easy for either the doctors or the insurers to work out a practicable plan. But it may well be the only alternative to nationalized medical service, which politics and bureaucracy would make far more unpalatable to the doctors than anything the insurance companies would think of proposing.

Some insurers, particularly in the company field, may feel anti-trust insurance, it would obviously be far qualms about getting together in what better for the country and the insurmight look like a big combine. But it must be remembered that the insurance business is in a "damned if you do and damned if you don't" position. The welfare-state boys aren't going to fight British-type medical care plan.

up with a workable plan the welfarestaters may very well try to needle the anti-trust division of the Justice department into action.

But on the other hand, if the doctors and insurers don't come up with such a plan the Washington planners will continue to point the finger of scorn and shout that private enterprise has shown itself hopelessly inadequate to meet the situation.

Some insurance company executives may question the wisdom of making common cause with non-profit organiza tions of the Blue Cross and Blue Shield type. But these organizations are firmly intrenched in a big way. If the companies ever had a chance of preempting that field it has long since vanished. Even assuming that the final arrangement is something along Blue Shield lines and that the companies never write a dime's worth of medical care ance business than a politics-ridden bureaucracy that we would be saddled with if the exponents of the welfare state succeeded in putting over a

PERSONAL SIDE THE BUSINESS

E. E. Besser, Jr., Chicago general agent for Lincoln National Life, is back at his desk after several months of illness. During his convalescence at his summer home in Montague, Mich., the agency was run by Michael J. Finn, assistant general agent.

Murray D. Lincoln, president of the Ohio Farm Bureau insurance com-, has been reelected president CARE, European relief organization for his fifth consecutive term. He has been president since its inception.

The Downtown Round Table of Life Managers in New York City feted A. Lincoln, president Metropoli-Leroy Life, at a dinner attended by presidents of 16 life companies.

M. Fraser, general Fraser, general agent Connecticut Mutual, was toastmaster and presented Mr. Lincoln a silver tray. The dinner Mr. Lincoln a silver tray. The dinner was to honor Mr. Lincoln for his many contributions to the life insurance

Don Parker of Security Mutual Life of Nebraska, who is president of the Lincoln Kiwanis club, was elected lieutenant governor at the Waterloo, Ia., district convention of Kiwanis.

. B. Rossiter, Mutual Benefit Life, Billings, was honored in a special program of Southeastern Montana Assn. of Life Underwriters on his completion of 50 years in the life insurance business. After graduating in 1894 from what is now Ohio Northern University, he was engaged in public school work in Iowa for five years, and then in 1899 went

with New York Life at Sigourney, Ia. At the time of the Hughes-Armstrong investigation, he felt obliged to give up life insurance work and he went to Cody, Wyo., as superintendent of the public schools. He later served as a school superintendent at Basin, Wyo., and then in 1912 went to Billings in the typewriter business. He returned to life nsurance in 1918 as agency supervisor for the then Western National Life of Cheyenne. Later he became Montana general agent for Pacific Mutual Life and continued in that position until 1936 when he went with Mutual Benefit Life as district agent at Billings. He is also assisting Ervin D. Hintzpeter, general agent at Bozeman, in starting a statewide general agency for Montana. He is one of two surviving charter members of Southeastern Montana Life Underwriters Assn.

W. H. Andrews, Jr., Jefferson Standard Life, Greensboro, former president of N. A. L. U., has been re-appointed in the North Carolina State Advisory board, representing life insurance interests.

James B. Slimmon, vice-president and secretary of Aetna Life, has been re-elected vice-president of Hartford Hospital.

Jesús Huerta Ballester, son of President Jesús Huerta Piña of Spanish Life of Madrid, is studying insurance at Columbia University and working alternate days at Metropolitan Life to study of dinary department procedures. He will



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Vice-Bldg. Resi-

E. W. Hawkins, appraising supervisor of farm loans for Prudential at Springfield, Ill., died of a heart attack at Champaign while attending the Illinois-Northwestern football game. He was a graduate of Illinois.

Ernest E. Yates, 65, a claim adjuster for Washington National, died at the home of his son, Edward G. Yates, near St. Louis. He had been ill since May, 1948, when he suffered a stroke at his

E. Willard Blackmore, 79, a deputy in the Missouri department at St. Louis for four or five years and one-time Broadway actor, died at his home there of a coronary occlusion. He was in charge of checking the securities deposited with the department under the registered policy laws.

Private Pensions Seen As **Answer to Welfare State**

(CONTINUED FROM PAGE 1)

government. The pension planners come across plenty of employers of this sort, They try where they can to make such men realize that the essence of capitalism is that the employe and employer are responsible to each other for their economic well being. When the state intrudes into this relationship, the secony to the extent of the intruthe economy to the extent of the intru-sion becomes socialistic.

Employers Take the Offensive

The pension specialists are encouraged that more employers are coming to realize the necessity of anticipating pension and insurance negotiations and are going to such negotiations forearmed with technical advice. They feel that in the big steel negotiations, the companies were so poorly

return to Spain in June to join his father's company. He attended the recent Society of Actuaries meeting at which his father presented an engraved bronze platter on behalf of the Spanish Actuarial Society.

DEATHS

Lewis F. Montgomery, manager at Richmond for Prudential, died at his home in Richmond. He had been ill only a few weeks. Under his supervision, the Richmond agency rose from less than \$2 million in 1945 to \$8 million in 1945 when it won the president's trophy. Mr. Montgomery started with Prudential in Jacksonville, Fla., in 1932, becoming an assistant manager. After being transferred to the home office he was appointed manager at Jackson, Miss.

E. W. Hawkins, appraising supervisor of farm loans for Prudential at Springer and the company arguments able to make steel positive pension proposals advanced by the employer.

positive pension proposals advanced by the employer.

The emphasis on pensions is rapidly giving rise to a new class of pension specialists. Many of them are not tied closely with the insurance business. They regard pensions as a special industry and recommend whatever type of pension fits the case. They do not hold briefs for either insured plans or trusteed plans. Most of them are finding increasing use for the depositadministration plans developed by the insurance companies but they feel that there are advantages to trusteed plans which should be weighed. These consultants are autonomous from the direct influence of either insurance companies or banks.

Cinn. C.L.U.'s Hear Clover

Cinn. C.L.U.'s Hear Clover

CINCINNATI—Importance of selective prospecting so as to prospect among the people with the ability to ay for the services of the life companies was stressed by Clyde J. Cover, assistant general counsel of Lincoln-National, in addressing the Cincinnati C.L.U. chapter. The successful agent, he said, must know his product, its uses, the place of other types of investments, and how the tax laws work. He pointed out that the agent's job is to present life insurance and that he should not endeavor to give advice on legal questions to his clients. B. F. Heald, general agent of Lincoln National, introduced Mr. Cover.

A century's progress in American

A century's progress in American health conditions is reflected in an increase in expectation of life at birth from less than 40 years in 1850 to about 67 years today, according to Dr. Louis I. Dublin, chief of statisticians of Metroscitter I. If

Winners in International Curling Match

During the L.I.A. M.A. convention in Quebec, an American curling team, with President Paul F. Clark of John Han-cock as "Skip", scored a hard-fought scored a hard-fought 85 victory over the Canadian team. Besides President Clark, shown delivering the stone, the American rink was composed of (left toright) "Vice Skip" Paul A. Parker, director of agencies of Old Line Life; William P. Lynch, 2nd vice-president of Prudential; and Robert dential; and Robert P. Kelsey, 2nd vice-president of John Hancock. The Canadian team was skip-ped by A. F. Muth, vice-president and managing director of Industrial Life of



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1: UP TO \$5,000 NON-MEDICAL on any MANHATTAN LIFE Policy

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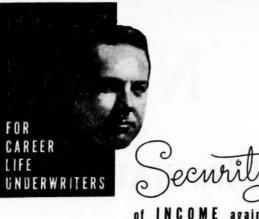
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A conversion privilege is now included in all 12 Manhattan Life Family Income and Home Protection Riders, making them more attractive than ever. The Manhattan Life will issue in lieu of the Rider, without medical examination or other evidence of insurability, a new policy on any plan except term insurance, but including Ideal Protection (Life Expectancy).

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The INDIANAPOLIS LIFE INSURANCE COMPANY

-A Legal Reserve, Mutual Company from its inception in 1905 -takes pride in these facts:

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exceeds \$223,000,000

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were winners of the 1949 National Quality Award. Among C.L.U. members and candidates: in L.U.T.C. classes: in Underwriter Association activities; Indianapolis Life men are among the leaders in many areas.

A definitized practical program of Company training and retraining; excellent Company schools in Basic and Programming, and for General Agents, keep the Company's men abreast of new developments, and expand their knowledge. An unusually effective Rate Book giving instant answers for briefs and programming, and modern policies and sales tools aid Fieldmen in their work.

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Agency opportunities in Toledo, Ohio; Davenport, Iowa; Springfield, Illinois; Beau-mont, Texas; and, some other choice cities in Indiana, Illinois, Texas, Ohio, Minnesota, Michigan, and Iowa.

Walter H. Huehl, President

Doyle Zaring, Manager of Agencies

LIFE AGENCY CHANGES

Mutual Institutes Alabama Changes

Mutual Life has established an agency in Montgomery, Ala., to be headed by Fred H. Hardy. T.

L. Mitchell succeeds J. D. Willcox Birmingham

manager. Mr. Willcox is retiring after 37
years with Mutual
Life. He has been
manager at Birmingham since 1922. Mr. Mitchell en-

tered life insurance in 1936. After air force service, he re-joined Mutual Life

and in 1946 was appointed assistant manager at Atlanta. He was advanced to training assistant at the home office

J. D. Willeox



last February. Mr. Mitchell is a grad-uate of the University of Alabama. Mr. Hardy represented Mutual Life

in Montgomery from 1943 to 1948, when he was advanced to training assistant. He became an assistant manager of the Birmingham agency in 1947. He is a Birmingham agency in 1947. He graduate of Alabama Polytechnic.

Collins Regional Group Manager for Lincoln Nat'l

Donald L. Collins has been appointed regional group manger for Michigan by Lincoln National.

He will establish a new group office in Grand Rapids. For the past year he has participat-ed in a comprehensive home office training program which cluded considerable field work. He is an air force



Prudential Advances Two

Clarence O. Sheldon and Harvey L. Clarence O. Sheldon and Harvey L. Harms have been promoted to assistant managers of Prudential at Long Beach and Fresno, respectively. Mr. Sheldon joined Prudential in Long Beach in 1947. Mr. Harms joined Prudential in Bakerfield in 1948 after being in retail selling. He is an army veteran.

Aycock Made Ark. Manager

Southland Life has appointed Roland M. Aycock manager of Arkansas. The company, which entered the state only recently, will maintain offices at Little Rock. Mr. Aycock is a marine veteran. He attended the Southern Methodist University course.

American Home Life of Topeka has appointed Lawrence A. Huke as state manager for Colorado at Denver. Mr. Huke has been a Denver broker.

Bankers Life Names Bissell at Houston

J. J. Bissell has become manager at Houston for Bankers Life of Iowa. He

has been supervisor there since 1946, when he returned from service in the agency meeting and army air force. He was installed at an luncheon at which W. F. Winterble, w. F. Winterbie, agency vice - presi-dent, and R. H. Cherry of San An-tonio, assistant superintendent of district, spoke: Mr.
Bissell succeeds
Troy N. Whitehurst, who resigned to go



into estate analysis work

Mr. Bissell joined the company in 1939 at Wichita Falls, Tex. He was named district agent there in 1942, serving in that capacity until he entered

service.

He attended University of Detroit and University of Minnesota and was in sales and management work with General Mills and with a radio station and an advertising organization before joining Bankers Life. He was honored by Houston Assn. of Life Underwriters for his work as general chairman of the Tri-Cities sales congress this year. Cities sales congress this year.

Christenson to be Mutual Benefit G. A. at Salt Lake

Sheldon B. Christenson will become general agent at Salt Lake City for Mutual Benefit Life Dec. 1. He succeeds Donald C. Eldridge, who resigned early this fall. Mr. Christenson has been with the estate and pension planning firm of Kelly & Christenson at Salt Lake City since 1947. Before that he was an agent at Los Angeles for Metropolitan Life. In 1947 he was a member of the Million Dollar Round Table.

Mr. Christension wrote and published the "Life Line," a brochure which sold over 50,000 copies. Later he published a short novel, "The Bequest." He is a prominent churchman.

Take Over Cal. Agencies

LOS ANGELES-Continental Casualty and Continental Assurance, effective Jan. 1, have purchased the miscellaneous casualty and surety, A. & H. and life insurance business of California Agencies, Inc., which has represented those companies as general agent. The agency will continue to operate as heretofore in the automobile fire, fire



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and marine insurance fields as a general and marine insurance fields as a general agency. In addition to his duties with the agency Harry L. Burford, its president, will join the Continental organization in an advisory capacity to Ellis P. Schmidt, resident vice-president. William J. Whitchurch will become resident vice-president of Continental Casualty in charge of the Pacific Coast casualty claim department.

N. Y. Life Shifts Three Managers

In a three-way shift of managers Henry Leivestad has been transferred from Des Moines to Minneapolis as manager by New York Life to succeed R. J. Gilbreath, who is being transferred to Omaha as successor to Carl Ledgerwood, who goes to Des Moines. Mr. Gilbreath has been with the company nine years, first at Sioux City, later as manager at Des Moines and then at Minneapolis, where he has been three years.

then at Minneapolis, where he has been three years.

Mr. Leivestad has been manager at Des Moines for two years. A graduate of University of Minnesota, he joined New York Life at Minneapolis, becoming assistant manager there, manager at Fargo, at Madison, and then assistant to the agency vice-president.

Mr. Ledgerwood has been with New York Life for 30 years, the past five as manager at Omaha. Previously he was at Fargo, Duluth and St. Paul.

Hugh A. Eubank Joins Monnett & Vickrey as V.-P.

Hugh A. Eubank, who has been assistant manager of Prudential's down-



rrudentials down-town agency in New York, has joined Monnett & Vickrey, insurance brokers, as vice-president. He will assume direction of the life and group department, which specializes in pen-sion and employe welfare programs and personal insurance. Mr. Eubank has

Hugh A. Eubank had extensive experience in both group and personal life insurance. Before becoming assistant manager of the

fore becoming assistant manager of the downtown agency he was a home office representative in Prudential's group insurance office in New York.

During the war, Mr. Eubank was a lieutenant commander in the navy. He was educated at Staunton Military Academy, Deerfield Academy, and Princeton. He is a son of Gerald A. Eubank, co-manager of the downtown agency, who has just been appointed special assistant to President Carrol M. Shanks of Prudential.

Ohio Nat'l Opens Des Moines Agency: W. S. Herzberg G.A.

Ohio National has established a general agency at Des Moines with W. S. Herzberg named as general agent. The agency will be at 201 Fleming building. Mr. Herzberg was with Prudential in Milwaukee for 30 years, the last 18 as assistant manager. He is a C.L.U.

Life of Ga. Makes Changes

Life of Gac. Makes Changes

Life of Georgia has transferred John

D. Futch from Brinkley to Fort Smith,

Ark. He has been northern Arkansas

division manager. G. Bert Ward will

succeed him in that post and also will

continue as manager at Forrest City.

Mr. Futch joined the company in

Florida in 1939, Mr. Ward has been

with the company since 1933.

Other Arkansas changes are the

transfer of Carl A. Dean from Stuttgart

to Texarkana and H. Gilbert King from

Atlanta to Fayetteville. Mr. Dean has

been succeeded by Maurice C. Hartzler,

formerly an agent at Stuttgart.

Life of Georgia also has appointed Jack R. Shadburn manager at Ocala, Fla. He formerly was an agent at Or-

Carey Heads New Conn. Mutual Agency in Spokane

Connecticut Mutual Life is opening an agency in Spokane with Thomas R. Carey as general agent. The new agency will also serve southern Washington and north Idaho.

Mr. Carey graduated from the University of Portland in 1938. He then joined the Merrifield agency of Connecticut Mutual in Portland and in 1946 hecame supervisor.

1946 became supervisor.

He is a past director of the Life
Underwriters Assn. of Portland and in
1948 was winner of the company's award
for outstanding organization develop-

ment work.

Mr. Carey served with the coast guard.

He will maintain offices in the Medi-

cal Center building in Spokane.

Prudential Advances Tubman

Robert K. Tubman has been pro-

moted to assistant manager of Prudential at Phoenix.

He entered insurance less than a year ago, and in Prudential's Tucson agency, topped all agents in Arizona.

Form Pension Partnership

E. H. Blair, formerly with Bankers Life, and B. B. Horner, Sr., who re-cently retired as general agent for Sun Life of Canada, have formed the part-nership of Blair-Horner & Associates at Nashville, Tenn., to offer an engi-neering and installation service on pen-sion and employe welfare plans.

Horn Made General Agent

Ray Horn, district agent for Security Mutual Life of Nebraska at Lamar, Cal., has been named general agent for southeast Colorado and parts of western Kansas.

Commonwealth Telephone Co. has arranged with a group of life insurance companies for a \$2 million loan on 31/4 % first mortgage bonds due in 1979. Mutual Life took \$695,000, Northwestern Mutual Life \$525,000, Connecticut Mutual Life \$500,000, State Mutual Life \$180,000 and Philadelphia Life \$100,000.

COMPANY MEN

Burton to Retire: Mountcastle to be L. & C. President

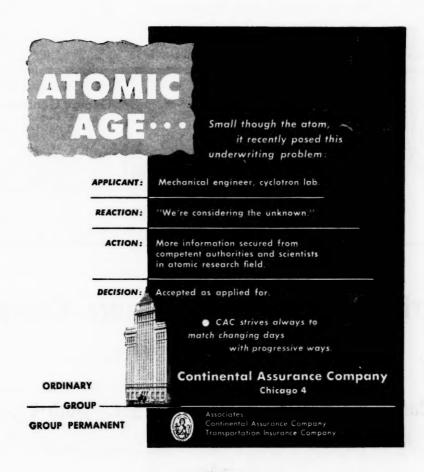
NASHVILLE - Andrew M. Burton, founder and president of Life & Cas-



ent of Life & Cas-ualty, plans to re-tire at the annual meeting of the board of directors on Feb. 7. Mr. Burton will be suc-ceeded by Paul Mountcastle, a di-rector of L. & C. and president of the Fireproof Stor-age Co. and the Southern Indus-trial Banking Corp. trial Banking Corp.

A. M. Burton of Knoxville.

Mr. Burton founded the company in 1903 when the company which he represented as manager in Nashville,



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Traders Mutual of Illinois, had its license revoked in Tennessee. The company was founded on \$1,000 of savings with Canada Life since 1931 in the accounting amount saved by a former cashier for Traders Mutual, Miss Helen A.

At the February meeting, the directors are scheduled to map plans for a new office building to cost an estimated Security Mutual V.-P.

has joined Mutual Life of New York as a training assistant. He has been with Canada Life since 1931 in the acretirement. He will live in Churchtown, counting department, and as a branch cashier, before becoming a unit manager.

Z. B. Phelps Retires as

Now Mutual Training Asst.

James E. Laschinger, former unit manager in Toronto with Canada Life,

presented him a television set on his retirement. He will live in Churchtown,

Franklin Advances Frederick, Hatmaker

ranklin Life has advanced Russell A. Frederick from vice-president and secretary to the newly created office of administrative vice-president.

A graduate of University of Illinois,





he started with the company in 1923 in the actuarial department and was assist-ant actuary and assistant secretary be-

George E. Hatmaker becomes secretary. He has been head of the new business department. He has been with Franklin since 1928, except for four years' army service. In 1948 he was named assistant secretary.

John B. Vala and Albert C. Vanselow become assistant secretaries. Mr. Vala, who has been assistant to the secretary, has been with the company since leav-

mas been with the company since leaving the marine corps in 1945.

Mr. Vanselow joined the statistical department in 1929. During the war he was acting head of the statistical department for several years, later being head of the personnel department and planning director.

George Goodwin Honored

George Goodwin, who retired last July after six years as deputy insurance commissioner of Connecticut, was guest of honor at a luncheon at Hartford, given by his former associates in the

IPANY
given by his former associates in the insurance department. Commissioner Allyn presided. A smoking stand was given Mr. Goodwin.

Mr. Goodwin had a 49-year insurance career. He was with Actna Life 12 years, after which he joined Connecticut Genards. eral, becoming secretary of its accident department.

AMERICA TRULY THANKFUL

for the men who saw with clear, unflinching eyes the nation to be - who fought, as we too have fought, in the cause of freedom, humanity and brotherhood.

that we are free, in a world of prejudice and intolerance-free to live and speak and act and work and worship as we choose-free to elect our leaders and make our laws-free to make our mistakes and correct them.

This is the greatness of America and in our prayer of thanks we would be strong that no power may ever be allowed to destroy this freedom of ours.



"The Friendly Company"

Frankfort

North American Reassurance Company

J. Howard Dden, President

110 East 42nd Street

New York 17, A. P.



LIFE REINSURANCE EXCLUSIVELY

ACCIDENT

Stumpf Reviews Coast Trip in Address at Wichita

Charles B. Stumpf, Illinois Mutual Casualty, Madison, Wis., president of International Assn. of A. & H. Underwriters, addressed the Kansas association at Wichita on the home stretch of a speaking tour to the west coast and British Columbia. Ending his trip were talks at Denver and Kansas City, following the Wichita meeting. W. J. Busch, Dulaney, Johnston & Priest, was elected treasurer of the Kansas association to succeed H. C. Hubbs, Mutual Benefit H. & A., who resigned upon leaving the city. A Christmas party was announced for Dec. 19 with Vice-president Robert Tyler in charge. A surprise was the attendance of Bert A. Hedges, was the attendance of Bert A. Hedges, Business Men's Assurance, organizer and first president of the Kansas asso-ciation, attending his first meeting since

major surgery last month.

Mr. Stumpf reviewed progress of the
National association since the Cleveland National association since the Cleveland annual meeting reporting five new associations and a substantial membership gain. He praised the work of the national officers and committee chairmen. In his seven-week trip through the west, Mr. Stumpf said he was amazed at the tremendous interest in what the A. & H. associations are trying to accomplish. Acceptance of "free enterprise" ideas is widespread he reported. Also he said that business is good all over the area.

In discussing "Problems of Socializa-tion," Mr. Stumpf said it is necessary to be for something—not "just against."

Jersey A. & H. Assn. Elects Croland as President

At the annual meeting of the New Jersey Accident & Health Assn. at Newark, William Croland, vice-president of the C. J. Simons & Co. of Newark, was elected president. Other officers are A. Allan Steinitz, Steinitz & Co., Newark, vice-president; Howard A. Rhodes, manager of the A. & H. department of American Casualty at Newark ment of American Casualty at Newark, treasurer, and Herbert A. Siddons, Newark manager for Service Review,

The women's division of the association elected Mrs. Mary Kishner, Columbian Protective Assn., president; Mrs. Jessie Deadman, Union Mutual Life, vice-president & secretary; Miss Ruth Hughes, C. W. Bollinger & Co.

treasurer.

L. A. Orsini of Bureau of A. & H. Underwriters, speaking on the salient features of the New York disability benefits law, commented, "I am confident that the competence and efficiency historically displayed by private insurers will prove more than equal to the task at hand in the statutory disability field."

Executive Board to Meet

The executive board of National Assn. of A. & H. Underwriters will meet at the Whittier Hotel, Detroit, Dec. 27-28 to discuss with the Detroit officers and committees the plans for next year's annual meeting, which is to be held on a lake boat out of Detroit.

Sees TDB as Challenge

Edmund B. Whittaker, vice-president Prudential, characterized the New or rrudential, characterized the New York state temporary disability benefits law as a challenge for the private insur-ance business in a talk before the New York City A. & H. Assn.

Agents Pinch-Hit for Hedges

Bert A. Hedges, Business Men's Assurance manager, Wichita, who was hospitalized during November, "Grant month" of his company, was surprised by about 25 of his salesmen who took it upon themselves to keep Mr. Hedges in the field by proxy. Each wrote one

25, 1949

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"app" in the name of Manager Hedges, "app" in the name of Manager Hedges, presenting a report to him on his release from the hospital last week. It showed more than \$1,000 in premiums paid and about \$500 in commissions which they asked that Mr. Hedges use for a vacation to gain renewed health. It also qualified him for a Thanksgiving turkey in the "Grant month" contest.

Utah Club Hears Richardson

Utah A. & H. Club at its November meeting at Salt Lake heard Persyl Richardson, Mutual Benefit H. & A. He discussed how he got started and why he continues in the insurance business. Plans are almost completed for the A. & H. class to be held early in 1950 under the sponsorship of the extension division of the University of Utah.

Transfer to Ill. Started

A transfer of the corporate offices of Combined from Philadelphia to Chicago is taking place. In order to accomplish this, there has been formed a new Illinois company known as Cica. Combined of Pennsylvania will be merged into Cica as soon as the latter is licensed in all states in which Combined in pow in all states in which Combined is now transacting business and, at the same time, the name will be changed to Combined Insurance Co. of America. Thus, there will be no change in title, financial or managerial setup.

To Furnish University Lecturers

NEWS OF LIFE ASSOCIATIONS

Speakers for Wis. Congress at Milwaukee Announced

at Milwaukee Announced

MILWAUKEE — Speakers for the midwinter sales congress of Wisconsin Assn. of Life Underwriters here Dec. 9 have been announced by E. C. Ebersol, Lincoln National, general chairman.

Speakers include Ray Ruffner, manager Milwaukee regional office of Prudential, on "How Are Your Habitudes Today?", Leonard G. Kramer, Continental Assurance, on "Budgeting Your Time;" I. M. Kranarish, Chicago, million dollar producer for New York Life, "Put Him on the Spot," and Verlin J. Harrold, Fort Wayne, Lincoln National, "Meeting the Challenge."

Three Milwaukee sales managers will present "How to Make a Sales Presentation Stay Presented," a feature that has gained wide recognition. They are Al Herr, Herr Advertising Agency; Leslie Falk, Wisconsin Ice & Coal Co., and James Dornoff, Pate Oil Co.

President Frank McNamara, Waukesha, Old Line Life, will preside at the luncheon, in addition to opening and closing the session.

Sales Seminar at Nashville

NASHVILLE—More than 400 life men from Nashville and neighboring cities attended the sales seminar staged by Nashville Assn. of Life Underwriters. Indiana Assn. of A. & H. Underwriters has made arrangements with J. E. Hedges, head of the insurance department of Indiana University, for the association to furnish speakers for the disability insurance course.

Charles Ray, Hoosier Casualty, president of the Indiana association, will appear before the class in the near future, and Paul Williams, World, will address the university's business club.

by Nashville Assn. of Life Underwriters. Commissioner Allen spoke at the Inuncheon on "Life Insurance and Its Future." The seminar continued through the afternoon and evening with Dr. Josiah Crudup, president of Brenau College, Gainesville, Ga., speaking at the banquet on "From Our Door Steps the New World."

Other speakers were: Stanley L. Block, Commonwealth Life, Louisville; H. Gray Hutchinson, Penn Mutual Life,

Maryville, and James R. Adams, American National, Birmingham.

Moore Talks at St. Louis

The most difficult part of any sale of life insurance is to get a true picture of the prospect's needs and then convince him that the solution is through his achim that the solution is through his acception of the protection program outlined for him, Russell H. Moore, Lansing, Mich., agent for Mutual Benefit Life told members of St. Louis Life Underwriters Assn. at a luncheon meeting. Mr. Moore emphasized the importance of using the telephone in obtaining appointments. He said that he does not see any prospect without a previous telephone appointment.

Seek Indianapolis Dues Hike

Reporting a substantial budget deficit, the Indianapolis Life Underwriters Assn. has requested permission of members to increase dues from \$12 to \$16 for agents and \$21 for general agents and manages. Loss of revenue from its annual sales congress, superseded this year and part by the state association's extrapara next by the state association's caravan sales congress, was shown by the budget to be a contributing factor in the deficit.

Montreal—Frank H. Fuhrman, manager at Reading, Pa., for Connecticut General Life, spoke on "Ideas Are Bought, Not Sold, Situations Create Ideas."

Walla Walla, Wash.—Harley Michaelis has been named president; Earl Free-man vice-president, and Roy Sherwood, secretary.

Richmond, Ind.—Because the more protection people have, the higher their standard of adequate protection becomes, production will remain at high levels despite any increased SS benefits, the wider spread of industry pensions, and the development of group, R. W. Osler, Rough Notes, said. It is expected life in-

surance study will be introduced into the Richmond secondary schools.

Pittsburgh—W. F. VanderBrook, associate manager Reliance Life at Pittsburgh, will address the Butler branch Dec. 1 on how to dramatize the sale of life insurance.

Little Rock—Commissioner Graves of Arkansas spoke on state regulation. O. H. Hoglee, Interstate L. & A. and Earl F. Rankin, Equitable Society, discussed the activities of the membership com-mittee mittee.

Denver-Wilfred E. Jones, N.A.L.U. di-ector of public information, was the speaker.

Decatur, III.—Stacy B. Merchant, educational director of Mutual Trust Life, was the speaker.

was the speaker.

Utlea—David B. Fluegelman, N.A.L.U.
trustee, addressed a meeting of the officers and directors of the New York State
Assn. of Life Underwriters. He emphasized that life agents are going to have
to decide whether they are policy peddlers or professional counselors.

Winstan Salem — Commissioner Cheek

Winston-Salem — Commissioner Cheek of North Carolina called for a public re-lations effort by the insurance business to forestall further encroachment on the business by government and coopera-tives

Oklahoma City—A skit was presented by George Maltby and Howard Manning, agents for Equitable of Iowa at Kansas City, Kan., dramatizing errors the agent often makes when calling on prospects. Sam Cummings, general agent of Kansas City Life at Dallas, will speak at the De-cember meeting. cember meeting.

cember meeting.

Fargo, N. D.—The movie "For Some Must Watch" was shown. Speaker was "Chuck" Burke, manager of radio station KFGO. Plans are under way for a banquet in December.

Wisconsin Valley—W. H. Burhop, executive vice-president Employers Mutuals, spoke at the November luncheon meeting at Wausau.

Northeastera Wisconsin — Members were guests of the 14th Judicial Circuit Bar Assn. at the November meeting at Green Bay. "Estate Planning" was the topic of a panel discussion with Max Strehlow as moderator. Panel members were J. Lowell Craig of Craig & Kauf-

Reinsurance In the Accident & Health Lines

NOW-to start 1950-arrange your program to include Employers Service, which has been built upon constant study of the disability lines through their period of modern development over the past three decades. Underwriters coast-to-coast find it wholly satisfactory.

Capital & Surplus—Ten Million

Employers Reinsurance Corporation

Insurance Exchange Building KANSAS CITY

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man agency of Northwestern Mutual; Paul H. Duback, First Wisconsin Trust Co., both of Milwaukee, and Rodney Welsh, Green Bay.

Welsh, Green Bay.

Miami—The November meeting was a combined agents' clinic in charge of R. A. Hassel. Participants were Charles Fischer, Randy Miller, John Seeborg and John Paul. Lloyd Martin and Thomas McGlinn, Mutual Benefit, and Richard King, ordinary manager for Prudential, received C.L.U. certificates. Womens' Quarter Million Dollar Round Table certificates were presented to Louise M. Cunningham, and Beth S. Mowatt.

St. Paul—Walter, J. Wheeler, Minney

St. Paul—Walter J. Wheeler, Minne-apolis insurance attorney, said life in-surance must measure up to its oppor-tunities or face the threat of the welfare state, in addressing a joint meeting of the St. Paul associaion and St. Paul C.L.U. chapter.

Marion, O.—C. L. Peterson, vice-president and general counsel of Ohio State Life, spoke on estate planning.

Lancaster, Pa.—Mrs. Ann Brown, wife of William J. Brown, manager for John Hancock at Lancaster, related some of her experiences in selling life insurance. George N. Wade, manager for Ohio National at Harrisburg and a state senator, spoke on free enterprise. Lawrence W. Jackson, executive secretary of the spoke on free enterprise. Lawrence W. Jackson, executive secretary of the Pennsylvania association, extended greetings of that body. The occasion was the first annual ladder night and more than 100 persons were present. George K. Reynolds, Jr., Northwestern Mutual, was toastmaster and N. A. J. Loose, Philadelphia Life, local president,

spoke. Harold Brown, Prudential, entertained with a magic show. The film, "For Some Must Watch," was shown.

Brown, Gary, Ind .- Melvin C. manager for northern Indiana of York Life, spoke before the Calumet clation on "Ideas That Sell."

Fort Wayne, Ind.—Robert L. Boyd, Kokomo, general agent of Equitable Life of Iowa, spoke on "Simplified Sell-ier".

Quincy. III. - Kenneth Arrowsmith, Metropolitan, vice-president, moved up to Metropolitan, vice-president, moved up to the presidency upon the resignation of Weslie W. Olson, Equitable Society. Mr. Olson has purchased a Pontiac automobile agency in Louisiana, Mo. Chester T. Wardwell, Connecticut Mutual general agent at Peorla, president of the Illinois association, stressed that the American system of voluntary insurance embodies the idea that the state should be supported by the individual and not the individual by the state. He said it is important for the public to understand that NSLI has enjoyed a subsidy of between \$3 and \$4 billion.

New Haven, Conn.—Harry E. Duffy.

New Haven, Conn.—Harry E. Duffy, Connecticut Mutual, Waterbury, spoke on "Brass Tacks in Waterbury."

Meriden, Conn .- Plans have been made for a membership campaign to be held next month. President Herman S. Chau-sky appointed Gordon D. Orr member-ship chairman. Philip T. Saleski was

sup chairman. Philip T. Saleski was elected national committeeman. Francis R. Danaher will speak at the next meeting, Dec. 14.

Sheboygan, Wis.-Joseph H. Schilder, assistant trust officer of Security Na-

tional Bank of Sheboygan, discussed estate planning. He demonstrated the many benefits of a well planned estate in the interest of surviving wife and children, and discussed the desirability and need for life insurance in sound estate planning. The talk was followed by a half hour of answers to questions.

Madison, Wis.—Cornelius Scheid, New York Life, Cleveland, spoke on "Ideas That Sell Life Insurance."

COMPANIES

Pan-American Buys **Home Office Site**

Pan-American Life of New Orleans, has bought for \$400,000 an entire block on Canal street, New Orleans' main

business thorough-fare, for the erec-tion of a \$2 million home office building.

Groundbreak-Groundbreaking will take place
in about 60 days.
It is expected that
the building will be
ready for occupancy in about 20
months. It will be
five stories high.



Grounds will include ample parking space for employes' cars, and shrubbery,

flowers and trees.

Except for the late Eugene G. Mc-Givney, all the founders of the company were present at the transaction:
President Crawford H. Ellis, Executive Vice-president Edward G. Simples of the company was a part of the founders of the company mons, and Dr. Marion Souchon, vice-president and medical director. The company began business in 1912 with 50 employes and assets of \$2 million. Today it has over 300 employes and assets of \$100 million with insurance in force expected to exceed \$400 million by the year-end. Offices of the company have been in the Whitney building for a number of years.

New York Life will finance a \$4 million parking garage with an 850-car capacity on New York City's east side.

Prudential has decided not to construct a 653-apartment housing project in Jersey City as planned because, on the basis of bids received for construction, it is not practical economically. In two years the estimated costs of the project grew from \$4 to \$5 million. A Jersey City construction is going to build the project but the names of the investors were not revealed.

AGENCY NEWS

Indianapolis Life Opens **New City Agency Building**

The new building erected by Indianapolis Life on its home office grounds to house its city agency was formally opened last week. It is three miles out of the downtown disrict where it was formerly located, and the company has made arrangements with a downtown bank to accept premium payments from policyholders in the area wishing to pay premiums in person.

The new building groups private of-fices for 14 or 15 men plus superin-tendents and agency managers around a central, general office room. One end of the building contains an assembly room for classes in selling. Modern of the building contains an assembly room for classes in selling. Modern lighting fixtures are designed to make the quarters attractive and to add to efficiency. The move of the agency away from the downtown business district is being watched with interest by many other Indianapolis agencies which are finding that soaring office rents and parking problems make expensive downtown locations less and less attractive,

Edmonston Introduced at Luncheon

Massachusetts Mutual was host at a luncheon at Topeka at which J. Edmonston, newly appointed general agent was introduced to representative business men from the Topeka area. Clarence A. Grimmett, Jr., agency supervisor, represented the home office.

W. L. Momsen, general agent for Northwestern Mutual Life at Milwaukee has acquired the Goll mansion on the lake front, and is having it remodeled for office purposes. The agency at present is located at the home office.

Becomes Provident Mutual Asst. Manager of Agencies

ver was appointed supervisor in Provident's Shoemaker agency in New York City, after several years with Penn Mutual. He has qualified for all meetings, of the meetings of the Provident Round



J. T. Wilver

Table, top production club, since returning from the army.

Galveston Is Short on N.A.I.C. Accommodations

Prospects are for a very over-crowded condition at the convention of National Assn. of Insurance Commissioners at Galveston commencing Dec. 4. The Galvez and Buccaneer, the headquarters hotels, have only 500 rooms available for the meeting and there are already 1500 requests for reservations. The con-ventioneers are being spotted in a variety of hostelries around the town and a good many may arrive with knowing where they will be put up.

Mutual Trust Gives Awards

Awards for production during third quarter and for years of service were presented at a meeting of Mutual Trust Life agency at Madison, Wis. Stacy Merchant, educational director, pre-sented the President's trophy to Carl J. Homann, general agent, and C. Burr La-Ronge, agent, both of Madison. Twentyyear service pins were presented to Harry F. White, Richland Center, and Harvey A. Krohn, Whitewater.

Cheek Urges P. R. Program

WINSTON-SALEM, N. C .- A public relations program by the insurance business to ward off further encroachment by government and cooperatives was advocated by Commissioner Cheek, in an address at a meeting here sponsored by the local life underwriters association and association of insurance agents.

Stating that there are "many moves to discredit the agency system," he said a public relations program such as he suggests would help "justify the neces-sity or value of the services of an agent."

Farley Flint General Agent

Douglas A. Farley has been named general agent at Flint, Mich., for North American Life of Chicago. He has been manger there for North American Life of Toronto for three years, going there from Brantford, Ont. Before that he was located in Brantford, Can.

Telling the World |- 6355

High grade agents writing quality business have been responsible for our all-time-high average-size policy of \$6355 . . . an imposing record of steady growth. Such a record must be well deserved. See for yourself the reason why. Write now for details.



For particulars write to WM. D. HALLER, Vice President and Agency Manager

UNITED LIFE AND ACCIDENT

INSURANCE COMPANY

Concord. New Hampshire

BRANCH OFFICE AND AGENCY SERVICE THROUGHOUT THE NORTH AMERICAN CONTINENT.

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Virginia Case May Be Far-Reaching

(CONTINUED FROM PAGE 1)

of regulating unlicensed operations.

According to the Travelers Health brief, in its effort to bring the case within the "minimum contact" rule, the Virginia of the Travelers Health brief. in the "minimum contact" rule, the Virginia court found that Travelers Health had solicited new members there through its present members, had consummated contracts there, had investigated claims in Virginia and had discharged the obligations of the association there. The fact that the Virginia court found it necessary, the brief stated, to base its decision on the alleged happening of activities in Virginia is a strong indication of its indirect adherence to the praciple that the transmitting of interstate mail into a state is not of itself sufficient to justify constructive service of process. Travelers Health asserts that it has conducted no activities in Virginia which would constitute the necessary "minimum contacts" with Virginia and there is no basis in the record for the finding by the Virginia court that these four activities occurred in Virginia. Travelers Health argued that the Virginia corporation predicated its conclusion solely upon the fact that Travelers Health conducted the activities complained of by mail ginia court found that Travelers Health the fact that Travelers Health conducted the activities complained of by mail from beyond the limits of the state.

Members' Work Voluntary

On the point of old members getting new members, the Travelers Health brief said this activity of the old members, who had no authority to obligate Travelers Health, was wholly voluntary and was limited solely to the submission of prayers of properts to the company of names of prospects to the company. The voluntary act of sending a friendly letter suggesting someone's name, not necessarily a resident of Virginia, for membership in the association does not constitute a business activity, it was

constitute a business activity, it was argued.

The Virginia court took the position that since the policies were "subject to approval of applicant" the contracts were consummated in Virginia, On this point Travelers Health stated that each certificate goes into effect when issued and the insurance coverage begins at that moment. The certificate is subject to cancellation if, within 10 days after its receipt, he decides he doesn't want it, but during this period the applicant is covered and Travelers Health contends that the act of a member in exercising his right to cancel does not constitute a part of the actual consummand. cising his right to cancel does not constitute a part of the actual consummation of the contract, and cannot be said to be an activity of Travelers Health.

Also, Travelers Health stated that it has had no one in Virginia at any time performing any activities for it who

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HOSPITALIZATION

REIMBURSEMENT

REINSURANCE

REPUBLIC NATIONAL

LIFE INSURANCE

COMPANY

THEO. P. BEASLEY, President

. BROKERAGE

MEDICAL and SURGICAL

GROUP . FRANCHISE

where that goes very far in the direction of regulating unlicensed operations.

According to the Travelers Health ginia court erred in concluding that the gmia court erred in concluding that the payment and discharge of claims by forwarding checks to Virginians constituted a Virginia activity. The brief stated that the checks, when received by the Virginia claimant, are not accepted in absolute payment or discharge of the obligations but only one conditions that they tions but only on condition that they be paid when forwarded to a collecting bank at Omaha by the claimants' banks in Virginia. Such claims, it is argued, therefore, are actually discharged in Omaha.

In conclusion, Travelers Health de-nied the constitutional authority of Virnied the constitutional authority of Virginia by legislative enactment to require Travelers Health to submit to the regulatory authority of the state before continuing its, interstate business by mail with Virginia citizens and upon its rightful refusal so to submit, to conduct an in personam judicial proceeding in the state again Travelers Health, based solely or constructive service of process solely on constructive service of process by registered mail sent outside the state in which Travelers Health made no gen-eral appearance and which resulted in a permanent injunction being issued against it.

Claims Law Unnecessary

Travelers Health contended that the approval of such statutes as that of Virginia is not necessary to enable the state properly to protect its citizens, for they can be afforded reasonable protection by public notice of the corporations which are either not subject to the state's regulation or which are for any reason not being regulated by it. If furstate's regulation or which are for any reason not being regulated by it. If further regulation or control is deemed necessary or desirable in addition to that of the state of incorporation, it should properly come from the federal government which has heretofore by the securities act of 1933 and subsequent securities act of 1933 and subsequent similar legislation supplemented the securities laws of the various states to the extent of providing for a full dis-closure in connection with the issue and sale of certain types of securities flow-ing in interstate compared by the use ing in interstate commerce by the use of the mails or otherwise. These fedor the mains of otherwise. These federal laws were admittedly enacted because the states were powerless to control this type of activity. The determination by Congress of the necessity for these laws was a recognition of the constitution limitation which prevented the several states from exercising effective control over the issue and sale of securities by mail and interstate commerce. It is the same constitutional limitation which renders the Virginia law unconstitutional as applied to Travelers Health in this case.

COMPLETE PERSONAL Peirce Associate Director INSURANCE COVERAGE of Company Relations

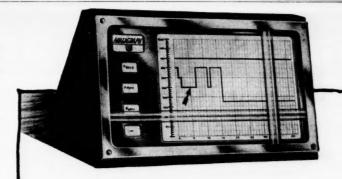
Frederic M. Peirce has been appointed

associate director of company relations of L.I.A.M.A. He has been an assistant director in the division for the past year.

Mr. Peirce has been with L.I.A.M.A. since 1947. He has served as a consultant, supervisor of consultation activities, and member of the teaching test. ant, supervisor of consultation activities, and member of the teaching staff og the schools in agency management. He is a member of the "Manager's Handbook" editorial committee and has written many "Handbook" plans. He is author of the book "Managers' Advisory Groups" and co-author of "How Life Insurance Works." He is secretary of the A. & H. committee.

Entering life insurance in 1937, he was first a cashier, then agent, and later

first a cashier, then agent, and later assistant general agent in Nebraska for John Hancock. In 1939 he joined Capitol as manager of the new business department, becoming assistant secretary and then assistant secretary-treasurer. At the University of Omaha he majored in economics and business administration ministration.



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Sales Ideas and Suggestions

Self-Analysis Helpful in Averting Agents' Sales Rut



rut, George P.
Shoemaker, general
agent of Provident
Mutual in New
York City, said at
the October meeting of the Philadelphia Assn of ing of delphia delphia Assn. of Life Underwriters. First they should question them-

question them-selves on the ter-ritory in which they operate, he said. The questions should produce an

swers which will tell the producer what are the physical characteristics of the region in which he operates, that is whether it is rural or urban, large or small, what kind of prospects it has produced in the past and what type it is likely to produce in the future, and whether or not the agent can cover part of the territory or all of it and how well equipped he is with knowledge to handle it. Competition for the agent comes to-

day not from other investment forms or other products as much as it comes from other life insurance men who are as well or better trained than the pro-

ducer himself is, he sad.

Among the questions he suggested were: "What are the outstanding needs in your territory for life insurance? In what field or fields will you specialize? Juvenile? Business? Retirement? Programming? Where are you going? Who are you going to say?"

The prospect is always.

The prospect is always organized and usually knows that he is going to say "no" so the agent should be as well organized as he is and have his pre-

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TION to take care of every need—INCOME is assured PROTECTION DEPENDED.

BEFINDED OF CHILDREN—MORTGAGE pay ACCIDENT protection—SALARY replacement increase sales.

Producers should occasionally engage sentation down to a point where he, in introspection to avoid slipping into a rather than the client, can control the rut, George P. interview, Mr. Shoemaker suggested. Shoemaker, general About 85% of life insurance selling is attributed to the correct building of a prospective market, he said. Failure results from working on poor prospects, from lack of sufficient prospects, or where there are plenty of prospects but they are of the wrong type, or where, if they are of the right type, the agent does not see them, or if he does see them, he does not stick long enough, or if all else goes well, he does not say the things that interest the client and inspire him to action. He said that one idea properly used on the prospect is better than many miscellaneous ones. He discouraged the procedure of tossing out a lot of ideas to the prospect hoping

The Agent's Technique

The prospect's job, Mr. Shoemaker said, is to get rid of the agent. He may say that he is busy, or that he is not interested in the agent or in life insurance. The agent's job is to create nsurance. The agent's job is to create confidence and remove the prospect's fear. He may offer to come when the prospect isn't busy, make an appointment for a later time, or build prestige by showing what he has done for others, perhaps by showing a list of clients' testimonial letters, or discussing matcommon interest or mentioning mutual friends.

that one will strike a responsive chord.

mutual friends.

If the prospect is afraid of an interview or thinks he may be talked into buying something he doesn't need or doesn't want to get into a long discussion or argument, the answers for the agent are "I won't stay long. If I can't interest you in five minutes I'll be on my way." The prospect may be fraid that if he grants the agent an afraid that if he grants the agent an interview he will become a pest and keep coming back. The answer to this is "I won't come back unless I'm invited"; or "I won't try to sell you. I have no reason to believe you are in-terested in buying today, but I want

you to think about this plan."

If the prospect is satisfied with his present arrangement or the amount of his present life insurance and feels that interview would be a waste of time he must be shown that his present situation is none too good. Appeals can be made to his desire for profit, to his love of family, to his pride, to a sense of fairness and courtesy to hear the agent's

story.
Mr. Shoemaker offered six closing

principles. Among them was the suggestion that the agent ask for a decision at the outset of the closing interview. "Test the prospect frequently, even during the early stages of the presentation. You may be able to close him sooner than you thought."

Make it easy to buy, he suggested, by making it easy to be examined, by making the plan easy to purchase so far as initial outlay is concerned, and make it easy to continue and finance. "Stress the can't lose idea by using the nonforfeiture provisions," he urged.

"Make it hard for the prospect not to buy by driving home to him the cost of delay. Tell human interest stories and keep him under obligation to you for the services you have rendered, and if necessary bring in mutual friends and interest agrain.

if necessary bring in mutual friends and interests again. The job is to locate the real obstacle or hidden objection and bring it to the surface. Wait for the positive mental swing, give the prospect a chance to think it through, and ask him to buy at least five times," he advised.

Prospect's Reaction

The pendulum of decision swings between the prospect's mental processes and the objections he develops. These include: "Want to think it over; can't include: "Want to think it over; can't afford it; can invest better; wife objects; has a friend in the business; don't like this guy; is there a better company; don't understand; fear of catch; I'll wait." The answer to these is the positive approach of the agent. The prospect can be encouraged to buy by the following processes: Summarize benefits; build confidence in your plan. benefits; build confidence in your plan; remove the real obstacle; show him your plan is the best method of saving; way to create an immediate estate; only way to create an infinedate estate, can't lose—live, die, or quit; safest investment; easy to finance; let's see if you can get it; show cost of delay; appeal to his emotions; magnify benefits and minimize cost.

Selling Larger Policies

Methods to sell larger policies include the following: Talk income, not face amount; prospect in higher age brackets; quote premiums in terms of monthly outlay; go where the money is; sell more programs, fewer package sales; order extra policies; don't underestimate your client's ability to buy.

Mr. Shoemaker suggested that agents

Mr. Shoemaker suggested that agents ask themselves these questions concerning the sales technique: Was my approach effective? Did I use leading questions? Did I talk too much? Was the need driven home? Was my motivation powerful? Did I give too many reasons and oversell him? Did I give him plenty of opportunities to buy?

H. & A. Conference Holds Regional at Des Moines

Extensive discussions on medical in-surance and franchise coverage featured the regional meeting of Health & Ac-cident Underwriters Conference at Des Moines this week, attended by representatives of 15 companies from Nebraska, Iowa, Missouri, and Minnesota. There were 50 company men on hand. Dutton Stahl, assistant secretary-treasurer of Iowa State Traveling Men's

Assn., was chairman for the morning session at which F. J. Faulkner, presi-dent of Woodmen Accident and chairman of the conference executive committee, reviewed the activities and meet-ing of the conference. V. J. Nutt, Jr., assistant vice-president of National Travelers, led the discussion on medical insurance.

There was considerable discussion of catastrophe coverage under the medical policy to handle heavy surgical bills. Mr. Nutt mentioned the success one company is having with a \$500 blanket policy

pany men evinced great interest in the possibilities of a blanket policy. Some policies presently written cover doctor's office, home and hospital calls after the third call. There was some debate as to whether it is feasible to write small doctor bills or whether the catastrophe feature of serious illness is more to the point.

A review of legislative matters was given by John P. Hanna, associate managing director of the conference, and C. O. Pauley, managing director, discussed polio and special diseases coverages. He reviewed the experience as it iksnown of the 30 some companies in the conference

writing polio insurance.

In the afternoon the chairman was Watson Powell, president of American Republic of Des Moines. H. C. Pogue, group manager of Business Men's Assurance, in his remarks said that the companies are having success with fran-chise on small groups of from 5 to 25. The field is unlimited.

Big Market for Small Groups

Publicity on the large pension plans won't lessen demand for small franchise groups, Mr. Pogue predicted. The idea of pensions or group A. & H. coverage will seep down from the large firms to the small employers. If franchise is properly underwritten, the experience on a group of 10 should be about the same as that on a group of 200, he asserted.

A discussion on schedule type poli-cies was led by J. M. Wickman, secre-tary of North American Life & Casualty. The meeting was concluded with an open forum that covered proposed changes to the standard provisions law, social security legislation, and over-age risks, a subject in which the companies showed interest as a result of the rising trend in the age of the population.

The next conference regional is sched-

uled for Dec. 2 at Dallas and there will be another at Chicago Feb. 15. Further meetings will be conducted at Boston and Los Angeles.

Buffalo Council Elects

Thomas J. Goodwin, a vice-president of Liberty bank, has been elected president of Buffalo Life Insurance & Trust Council. He succeeds Sidney Wertimer, Prudential.

Vice-president is W. Merle Smith, manager Mutual Life; secretary, Howard C. Minich, Manufacturers & Traders Trust Co., and treasurer, John W. deForest, Aetna Life.

To Conduct A. & H. Course

GRAND RAPIDS-West Michigan A. & H. Assn. here has completed plans to conduct an A. & H. sales sourse, and is to follow the pattern of that conducted by the International association. It is to be limited to a class of not more

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Agency Problems Discussed at Actuarial Meeting

(CONTINUED FROM PAGE 1)

net volume averaged \$260,000, and for the net volume averaged \$260,000, and for the first six months of the second year \$150,000 net. Quality was good; the business being generally sold on a "needs" basis—19% annual premium, 10% semi-annual, 34% quarterly and 37% monthly.

Reuben I. Jacobson, actuary of Northwestern National elaborated on the importance to the agent to the company.

November 25, 1949

mestern National elaborated on the importance to the agent, to the company, and to the industry as a whole of placing the agent in his proper market. He compared results from financed and non-financed agents and opined that results depend on the attitude of the company of the property of the company of th Northwestern National recruits pany. Northwestern National recruits on the basis that financing is undesirable and its experience is quite differ-ent from those stated by Mr. Richard-

C. F. Wood of London, England, reported that the experience of his com-pany, Manufacturers Life of Canada, on higher withdrawal rates among the non-financed. He suggested that "training the trainers' would greatly improve the program. With regard to increasing the average size of policies, he felt that the proper method was to raise the minimum policy rather than to reduce commission rates on small policies.

SEPARATE ACCOUNTS

Whether separate fund accounts are advisable for the various lines of business was questioned by Darrell Laird, assistant general manager and actuary of Monarch Life of Winnipeg, in discus Monarch Lite of Winnipeg, in discussing the paper on fund accounts by L. H. McVity, associate actuary of Equitable Society. Mr. Laird recognizes the necessity of separate accounts where participating and nonparticipating business are both written. He thought there was no one correct way of apportioning investment income and overhead expense in other cases.

A similar conclusion was expressed by W. H. Kelton, associate actuary of Travelers, in the case of a nonparticipating company where it is well to consider each year's operations separately and treat previous regime or losses.

walter G. Bowerman, assistant actuary New York Life, commenting on the paper by W. A. Jenkins of Teachers and E. A. Lew of Metropolitan on annuty mortality, said new, methods of nuity mortality, said new methods of attack upon degenerative diseases are will lead to a further increased longevity among annuitants. He said that in view of the increase in the cost of living there is evidently a field for purchase of additional annuities on behalf of present

Henry Blagden's Views

Henry E. Blagden of Prudential questioned the need of projecting annuity tables from group annuity business to tables from group annuity business to give effect to improved rates of mortality in the future. He spoke in particular reference to plans for some more or less fixed retirement annuity when combined with the social security benefit. While mortality will improve, benefits will be reduced under such plans if social security benefits increase. The important problem is to maintain equity as between employers. between employers.

Mr. Jacobson considers that we are now seeing only the beginning of the great improvement in mortality above

40 which is now under way.

Vice-president E. W. Marshall of
Provident Mutual said there is a distinct
possibility of a material extension in
longevity at advanced ages. He considered that the projections made in the
lending. Law opportunities of the lending. It was proper were conservative in Jenkins-Lew paper were conservative in view of recent advances in medical

science.
J. G. Fletcher, annuities actuary

Canadian department of labor, presented annuity values calculated on the mortality experience under Canadian government annuities which are reasonably comparable to similar annuity values by the 1943 table of Messrs. Jenkins and Lew. The mortality basis adopted in 1938 and continued till 1948 has not been adequate to cover mortality basis. has not been adequate to cover mortality improvement since 1938. The annuity fund has incurred mortality loss which is heavier, in proportion to volume of business, for males than for females. Canadian experience seems to run parallel to that of the United States.

Likes Projection Factors

W. M. Rae of Bankers Life of Iowa, w. M. Rae of Bankers Life of Iowa, said the most important parts of the paper are on the "projection factors," by which account is taken of the improvement in mortality that is bound to come in the future. He described the method, in its proposition of the pro similar in principle, by which this future improvement was taken into account in improvement was taken into account in determining some of the premium rates of his company, particularly group annuity and group permanent. In view of history and today's conditions, there is at least a fair possibility that the long term trend of interest will continue to be downward and the long term trend of expense will continue to be upward, he said.

he said. Vice-president Ray D. Murphy of Equitable Society also presented some tables comparing annuity mortality which showed that mortality for 1946-1948 was in general less than 1941-1946, except for males under non-refund an-

DISABILITY RECORD

In the discussion of the paper by Z. I. Mosesson, Prudential, on disability experience, Miss Muriel Mudie of Confederation Life and Gill of London Life said their experience under both income and waiver benefits with a six months' clause has been favorable. The experience of Equitable Society, as presented by Walter Klem, showed over-all favorable results on a waiver benefit with a six months' waiting period but indicated that the ratio of actual to expected disability increased with age

expected disability increased with age and with size of policy.

As pointed out by several of the speakers, the relatively favorable experience quoted is to be expected in periods of full employment.

In discussing the paper by E. G. Fassel, actuary Northwestern Mutual, on "Term Conversion Option" H. A. Garabedian, John Hancock, commented on the absence of reliable mortality statistics upon which to base proper charges. He also felt that the methods in current use for charging for the benefit were somewhat defective in that they did not approximate closely enough they did not approximate closely enough they did not approximate closely enough to the difference in asset shares. The difference in cash value method for original date conversions, he felt, was the least objectionable even though it did not provide properly for cases where negative asset shares existed.

W. Van B. Hart, Connecticut General, further emphasized the importance and value of the term conversion option, and remarked that companies which have tended to minimize the value of this

tended to minimize the value of this benefit will not derive much satisfaction

benefit will not derive much satisfaction from the experience reported on term conversion mortality.

Donald D. Cody, Equitable Society, remarked that a company's term conversion experience depends heavily on the way in which term insurance is marketed and serviced. The Equitable experience shows the expected high mortality on term conversions.

In his discussion of the paper by Dorrance C. Bronson of the Wyatt Co. on pensions, Henry E. Bladgen, 2nd vice-president and associate actuary of

Prudential, pointed out that, inasmuch as the proportion of older people to the as the proportion of older people to the working population is steadily rising, the burden of providing pensions for retired workers will become an increasingly serious strain on the productivity of those still actively employed. In commenting on the Bethlehem Steel formula, which has become the pattern for retirement class in the particular in for retirement plans in that particular industry, he drew attention to the fact that its adoption may in some situa-tions result in the tearing down of wellconceived and satisfactory plans already

conceived and satisfactory plans already in existence.

M. Albert Linton, president of Provident Mutual, along with the author, raises the serious question of whether there will be sufficient investment outlets to absorb the funds which may eventually be accumulated under any comprehensive system of pension coverage for all or even for a sizable proportion of our aged population. He mentioned that investment authorities are already pointing to the purchase of are already pointing to the purchase of corporate securities by pension fund trustees as an important current influence in bidding up the prices of such securities with a consequent lowering of yields.

Too Much Security?

Ray W. Peterson, associate actuary Equitable Society, pointed out that it is conceivable to envision the sale of more security than the economy can afford-a problem that actuaries might well explore in cooperation with the economists.

In the informal discussion on social insurance, Robert J. Myers, actuary of the social security administration, out-lined the history of the development and the principle provisions of H.R. 6000, the

bill amending the social security act which was passed by the House in the closing days of the last session of Congress and will be considered by the

Senate next year.
Albert Pike, actuary of Life Insurance Assn. of America, observed that the original social security legislation was founded on the philosophy of providing a basic floor of protection at the subsistence level. In the discussions leading sistence level. In the discussions leading up to the enactment of H.R. 6000 no mention was heard of this theory. He raised the question as to whether the pay-as-you-go basis of funding was consistent with a plan providing benefits above the subsistence levels and available only to a portion of the entire population, but he added that the present proposals were not too much out of line with present subsistence levels.

line with present subsistence levels.

Mr. Blagden pointed to the danger that employers may look to expansion of social security benefits as the easiest and cheapest solution of their pension obli-

No Help to Lower Incomes

M. Albert Linton, who has been representing Life Insurance Assn. of America and American Life Convention in this matter, pointed out that the proin this matter, pointed out that the proposed increase in the wage base, under H.R. 6000, from \$3,000 to \$3,600 does not help those earning \$3,000 or less, and only results in a dual increase in benefits for those earning in excess of \$3,000. He also objected to the feature of the present law, and also in the proposed bill, providing for an increase in benefits with durations of coverage, and mentioned the great hazards to our social and economic structure in the introduction of disability henefits into the social tion of disability benefits into the social

Miss Elizabeth W. Wilson of Cambridge, Mass., outlined the administration of the national health service in Great Britain. She mentioned that while the cost of the health plan, to



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date, has exceeded the original estimate by 49%, the cost of dentistry is 2½ times the expected cost, while the cost of optical care has been five times the

estimate.
Miss Wilson then compared the proposed administration of a health plan for this country under the Wagner-Murray-Dingell bill. Her estimates of the costs of complete hospital, surgical and medical care for United States residents was \$100 per person or approximately \$15 billion at the present level of population. In addition, she considered that the costs of present and proposed OASI, unemployment insurance, cash sickness benefits, and public ance, cash sickness benefits, and public assistance programs might easily amount to 20 billion dollars. Using an analysis of net income after taxes de-veloped by the University of Notre Dame, Miss Wilson concluded that the, cost of such a program could not be supported without heavy taxes at all income levels. She emphasized that the sooner wage earners realized they must pay the cost of any health program, the quicker will a more realistic approach to the question be accepted.

Employe Welfare Plans

In discussing total and permanent disability benefits provided under employe welfare plans, Edward A. Green, 2nd vice-president John Hancock, pointed out that there is a real question as to whether such benefits are more closely allied to weekly indemnity sickness coverage than to pensions. The fact that costs are indeterminate and high has decosts are indeterminate and high has de-terred many employers from including total and permanent disability benefits on a fully contractual and funded basis as part of the standard retirement plan pattern. Mr. Green emphasized the need to fill the hiatus between temporary weekly sickness benefits and retirement pensions.

Clarence H. Tookey, actuarial vice-president, Occidental Life of California, opined that permanent total disability benefits should be separate insurance rather than an integral part of the pen-sion. His company's substantial experience under total disability benefits, both as part of the California U.C.D. plan as part of the Camornia U.C.D. pian and as supplementary to the ordinary sickness benefits, has been very close to the experience anticipated by the class III morbidity table and can be underwritten satisfactorily without unusual problems either in funding or in administration. Mr. Tookey urged that greater study be given total disability benefits in view of the recent social security arguments that the benefits can be provided only through the government.

Sees Drag on Funding

Clark T. Foster, actuary of Johnson & Higgins, indicated that total and permanent disability benefits provided after age 55 and 30 years of employment might not be too costly. In considering funding of pensions and other benefits arising out of union demands, he stated employers were becoming less likely to agree to proper funding of past benefits and more inclined to lay out the minimum payments possible due to such factors as the short term of union agreements and the likelihood of increases in

old age social security payments.

Stating that "the age of pensions is here," Alfred N. Guertin, actuary, Amerhere," Alfred N. Guertin, actuary, American Life Convention, emphasized that the American public have become more and more pension-conscious as indicated by the United Mine Workers Welfare Plan and the recent Ford and steel settlements. In saying that the problem of financing universal pensions involves one of the greatest educational under-takings ever presented to such professional bodies as the Society of Actuaries, Mr. Guertin argued that public pensions on a subsistence level should not be funded on a full reserve basis but that pensions above subsistence level should be provided through private industry on a fully funded and sound basis. Such funds will be diverted from consumer goods and invested in tangible property.

in others words in the tools of production. More tools of production will in crease future consumer goods as an off-set to inflation when the pensioners become eligible for their benefits.

Mr. Bronson outlined the "fissionable" nature of the current status of employe nature of the current status of employe welfare plans. Since the subject involves various extra-legal and other boards who may not give due weight to actuarial facts and since and tax treatment of conunion agreements may be lived tributions is uncertain, one cannot foresee exactly what may happen. Other question marks include the reaction of employes in terminated plans regarding what they may have been led to believe is their six-cent "wage" contribution and the possibility that plans may start "wage" contribution out as trust funds and change to insured

In this connection Morgan H. Alvord, secretary group pension department Connecticut General, pointed out that there was not enough relationship between the benefits and the deposits in recent union demands. He stressed the point that actuaries are the ones who must educate employes, employers and the public as to the facts concerning the

various proposals. Herbert J. Stark, associate actuary Metropolitan, and Robert G. Espie, assistant actuary Aetna, pointed out that there is an increasing interest in a continuation of all or part of an employe's group life insurance after his retirement. The traditional method of providing such coverage on the one year term basis has the disadvantage of concealing the real cost of such a provision and the retired employe does not have the same security as if the continued coverage were provided as permanent insurance. These disadvantages may be avoided either by the payment of a single premium for paid-up insurance at retirement or by some method of advance funding prior to retirement. In considering the advisability of any such method, the employer's income tax position must be kept in mind.

Sees Decrease in Ordinary

Donald M. Ellis, assistant actuary Canada Life, feels that a moderate decrease in ordinary new business is to be anticipated, first, because the distribution anticipated, first, because the distribution of the national income is likely to be less favorable and, second, because of the marked increase in group sales. The decline would naturally be accompanied by an increase in unit costs, and precaution should now be taken with record to worked. gards to managers' salaries, leases, opening up new territory, and home office ex-

E. B. Whittaker, vice-president Prudential and chairman of the committee on group mortality and morbidity, re-ported that group mortality showed the

same general improvement observed elsewhere but waiver of premium elsewhere but waiver of premium ex-perience to date under approved claims does not represent the level that may ultimately be attained. The clause has been in effect for a relatively short time and the volume of insurance has been growing rapidly. Comparison with the previous report showed claim costs for accident and sickness decreased while those for employe hospital expense in-surance changed very little.

Slight Surgical Increase

Employe surgical expense insurance Employe surgical expense insurance claim costs increased somewhat, with female costs running 2% times the male. The claim cost under the dependent coverages tended to be higher than previously. While the active life experience under group annuities shows no significant change as compared with the 1946 experience, the ratios of actual to expected mortality on matured lives re-tired on or after normal retirement date for 1946-47 show a relatively substantial

decline from prior years.

In the discussion of a paper by James R. Herman, actuary Metropolitan Life, on "Actuaries—Past, Present and Future," Victor E. Henningsen, company of the property troller Northwestern Mutual, pointed out that the various changes in the syllabus have caused renewed interest in the actuarial examinations by some individuals who had temporarily discontinued study. Their success, although of course to be desired, increased the average years required by candidates to complete examinations; hence such data are spurious and should not lend an unnecessary note of discouragement to prospective stu-The new student approaching the profession should see more significant figures which measure the required period of sincere effort for the newer students alone.

ACTUARIAL NOTES

J. W. Thomson, retired vice-president and actuary of North American Rein-surance, and Mrs. Thomson were on hand.

Miss Muriel Mudie, Confederation Life, the only Canadian woman member of the society, was present with her mother.

W. G. Bowerman, assistant actuary of New York Life, left early to be back in New York for the occasion of his 30th anniversary with the company.

R. J. Myers, actuary of the social se-curity board, left a day early to take a plane for Puerto Rico, where he is help-ing with a congressional investigation of conditions there.

J. B. MacLean, retired vice-president and actuary of Mutual Life, who is now a consulting actuary, looked tanned and fit. He plays nine holes of golf nearly every day.

STEADY GROWTH... Now Operating in Seven States

Year	Assets	Capital Surplus	in Force
1908	5,482	5,482	744,032
1938	1,015,879	302,266	11,741,911
1948	4,969,740	1,417,585	74,653,754
1949	6,199,146	1,719,240	85,129,523

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Doctor, Lawyer, Merchant, Chief.

A Childhood rhyme, yet it expresses one of the greatest advantages of our competitive enterprise system . . . the freedom of the individual to work in a calling of his own choosing. Under no other system can parent and child plan a career together, fully confident that its ultimate success will be measured only by their own initiative and ability.

To be politically free and economically secure we must maintain these individual rights ... must continue to provide the incentives of profit, prosperity and progress. It is our responsibility to protect this heritage for our children . . . to improve its advantages ... to increase its benefits ... to strengthen the security it guarantees.

Life insurance, a competitive enterprise, offers parents and children unlimited opportunities for building financial security. Great Southern's "Child's Increasing Estate" policy guarantees the growing child an established life insurance estate at a premium cost he will be able to pay when he grows up and is ready to take over on his own.

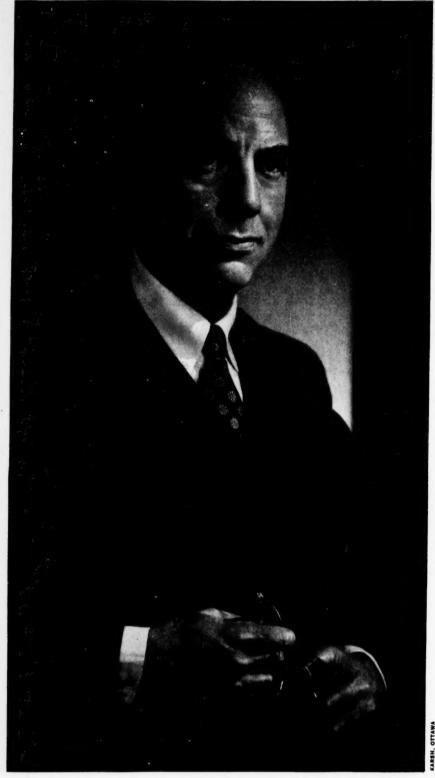
GREAT SOUTHERN

YEAR'S END

Soon be time to tot up the books for the year and turn over a fresh, new sheet for 1950.

It's been a right good year for us. Production has been good, gain has been healthy, ... which means that our fine agency force has taken the story and the service of Life Insurance to many, many more self-reliant American people.





A NORTHWESTERN MUTUAL POLICYHOLDER. In Mr. Eaton's personal investment program, life insurance with Northwestern Mutual plays a prominent part.

"Many err by thinking 'all life insurance companies are alike"

A statement of importance to all who will be buying life insurance this year

by CHARLES F. EATON, JR.

BOSTON, MASSACHUSETTS

President, Eaton & Howard, Inc.,
Investment Managers

"Because life insurance as a whole affords such a high degree of security, many people conclude that there are no important differences among companies.

"But life insurance is a business. Like other sound American businesses, it is competitive. And this works to the advantage of those planning their life insurance.

"The life insurance companies compete to achieve the lowest net cost to policyholders. Economical management and care in selecting policyholders enter in strongly here.

"Similarly, the individual life insurance agents compete to give more and better service to policyholders. And, because of better training and broader experience, some agents can be far more helpful than others.

"So it is wise to remember this. There are differences among companies and among agents. It is to our advantage to look for them—to evaluate them—before we buy."

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